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13 September 1982

East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2315

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CZECHOSLOVAKIA

CSSR PLAN FULFILLMENT IN FIRST HALF OF 1982 REPORTED

Combined Results Reported

Prague RUDE PRAVO in Czech 28 Jul 82 pp 1, 2 and 29 Jul 82 p 2

[Unsigned articles]

> [Text] In harmony with the conclusions of the 16th CPCZ Congress and with the law on the 7th Five-Year Plan, the state plan for 1982 orients economic activities to develop the economy and maintain the present living standard and social benefits of the population. The tasks of the plan are based on the need to improve further the foreign economic balance and to deal with the consequences of last year's decreased fuels, energy resources and other raw materials and poor harvest, which could not be fully covered by imports of grains.

As production volume dynamics has slowed, the state plan has concentrated on strengthening the balanced development of the national economy and improving its structure; increasing effectiveness and quality; enforcing economical operations; increasing the processing value of the sources of fuels, energy, raw and other materials; and achieving substantial savings in their consumption.

Party, state, economic and trade union organs and social organizations have concentrated their efforts on these tasks. Application of the principles of the "Set of Measures to Improve the System of Planned Management of the National Economy after 1980" also helped gradually to strengthen the economy.

The activities and initiative of the working people and their development in connection with the 10th All-Union Congress had a positive effect on the implementation of the economic and social development program.

Economic development basically corresponded to the intentions of the plan. Industry, in which desirable structural changes are being brought about gradually, had a particularly important share in this development. Trends to decrease material consumption per production unit continued. There also appears to be a trend to reduce transportation demands. The process of supplying fuels and energy to the national economy was generally continuous. The trade balance was strengthened, even with regard to nonsocialist states, although obstacled increased in foreign trade due to intensifying economic crises in those countries and discriminatory measures of advanced capitalist states against socialist countries.

Certain shortcomings continued. Efforts to overcome them failed. This applies especially to the need for a broader application of scientific, technical progress in the national economy, greater utilization of fixed assets and reserves in the entire production process, faster completion of construction work and provisions for continuously putting new facilities in operation. The need for highly economical operations was not respected fully in some cases in the production and nonproduction spheres.

In spite of the problems necessary to be overcome in the development of the national economy, positive elements of the development appeared in the economic area. We succeeded in implementing the basic direction of the plan; namely, maintaining the achieved high living standard of the population.

Application of Scientific Technical Progress in the National Economy

Research and development studies concentrated on increasing the value and savings of fuels and energy, metals, raw materials and other materials; accelerating the development of electronics and microelectronics; gradually increasing the utilith value; and accelerating modification of products while their technical and economic parameters are growing.

Of the research and development tasks of the state plan for scientific, technical development, 95.4 percent were fulfilled with planned output at 92.9 percent. In comparison with the first half of 1981, the rate of output was higher. On this basis, the production of circuits, for example, was introduced for microcomputer systems with a microprocessor, the same applies to the production of transmission housing with an output of 1,000 kilowatts for transportation systems in mines; production of all plastic cables involving the use of new insulating materials, including fittings; construction of lightweight production halls for industry and agriculture; new sanitation methods for grain storage facilities; and production of multilevel cages for use in pigsties with fully mechaniczed servicing.

The results of scientific, technical development, licenses, inventions, and melioration proposals carried out in the first half year, combined with the initiative of the workers, have created conditions for significant savings. On the basis of these measures, industrial enterprises expect savings for the entire year of 1982 of roughly 14 million gigajoules (that is, roughly one-half million tons of measurable fuels) of fuels and energy, savings of raw materials and other materials amounting to more than 2 billion korunas and relative manpower savings of almost 11,000 workers.

The share of new products in the total value of industrial products increased by 0.3 percentage points, reaching 15.4 percent. The production volume of products of a high technical economic level has increased; that share in the total value of products of industrial branches is 11 percent, 1.3 percentage points more than the same period last year.

The improvement was achieved in certain technical economic indexes. For example, the measurable fuel consumption in steam electric powerplants was reduced to 11,820 [?] GJ/MWh (2,646 million kilocalories), which is 1.7 percent less in comparison with the same period of last year.

Positive trends showed in the work of inventors and innovators. The number of registered inventions and improvement proposals increased 3 percent compared to the first half of last year. However, shortcomings continue in the accelerated application of the accepted inventions and improvements proposals.

Scientific, technical cooperation with the USSR and other CEMA countries was intensified further. Cooperation with the USSR concentrated on economical utilization of fuels and energy resources, construction of nuclear electric powerplants, electronics, production of automatic manipulators with program control, chemicals and biochemicals for agricultural production, protection of the living environment, and rational utilization of natural resources. The scope of license agreements between the USSR and other socialist countries increased.

Results in scientific, technical development, the speed and extent of their introduction do not correspond to our opportunities or to the development needs of the national economy. Reserves continue to exist, particularly in the management of scientific, technical development at all levels, especially in the faster concentration of research facilities on key tasks.

Investment Construction

In harmony with the intentions of the plan, and in the interest of balancing the national economy, the extent of investment work and deliveries decreased compared to last year. Investment work and deliveries were carried out (not including Project Z [community self-improvement program] and projects carried out by the people) in the amount of 56.8 billion korunas, including construction work for 32.4 billion korunas and machinery and installations for 24.4 billion korunas. In comparison with the same period of 1981, the volume of investment work and deliveries was 2.4 percent lower, including a 6.7 percent lower volume of construction work and 4.2 percent higher volume of deliveries of machinery and installations.

The following operations were gradually completed and put in operation during the first half year: East Slovakia Ironworks in Kosice for continuous casting of slabs; coking battery No 14 in the TZ [Trinec Ironworks of the Great October Socialist Revolution] in Trinec; turbogenerator No 5 of 110 megawatts at the Cierny Vah transformer hydroelectric powerplant; Kosice II Thermal Powerplant; Roller Bearing Works in Bytca for production of bearings; glazed and decorated tiles in Chlumcany; expansion of the extraction of gypsum at Koberice; resetting of railroad line at Usti and Labem; South Bohemia Paper Mill at Vetrni; meat combine Prague-North in Cakovice; and Telephone Exchange in Hradec Kralove.

More plan fulfillment was achieved in obligatory construction. However, in spite of relatively better fulfillment of volume indexes for some construction, progress did not match construction development, which resulted in delays in putting some facilities into operation. Of the planned 39 facilities designated as obligatory tasks to be operational in the first half year, 23 facilities were.

The budget outlays of newly initiated construction was reduced as planned. This had a favorable effect, as reflected in a decreased volume of unfinished construction work. The remaining budget outlay for unfinished construction was reduced 5 percent.

Development of Industry

The plan for 1982 assumes that even though energy, fuels and other raw material resources will be decreased, industry will provide for the development of production by mobilizing internal reserves. These planned programs were generally not carried out.

The production in centrally controlled industries increased 1.4 percent in the first half year as compared to the same period last year. The state plan for the entire year of 1982 assumes a 0.4 percent increase. Production dynamics higher than planned was achieved even when recomputed to the comparable number of workdays. Average daily production increased 0.8 percent.

The annual state plan of gross production was fulfilled in the first half year at the rate of 50.3 percent. The plan for the first half year was fulfilled at 101.0 percent. The plan was exceeded by 3 billion korunas; at the same time almost one-fifth of the enterprises failed to fulfill the plan by 1.5 billion korunas.

Production development in individual industrial branches was differentiated in conjunction with implementation of the planned structural changes. A faster increase of production was achieved in branches of the processing industry, particularly in the machine-building and electrotechnical industries. In branches that are more raw-material and energy-consuming and are primarily dependent on imported raw material, production growth was lower, in harmony with the plan. Continuing structural changes in the national economy were also taken care of by the implementation of the state target programs.

Overall deliveries of products in centrally controlled industries increased 1.3 percent in terms of wholesale prices as compared to the same period last year. The volume of deliveries for export to socialist countries increased 6.5 percent, (54.0 percent of the annual plan) and to nonsocialist countries, 4.7 percent (48.2 percent of the annual plan). The volume of deliveries of machinery and installations for investment construction increased 4.5 percent; that is, 50.1 percent of the annual plan.

Efforts of some of the industrial enterprises failed to cope fully with the more demanding assortment of production processes. This disrupted the implementation of the planned marketing structure and affected the continuity of relations between suppliers and buyers.

In harmony with the adopted measures, more attention was paid to the quality of production in industrial enterprises. Losses caused by poor quality of production were reduced 8.3 percent as compared to the first half of last year. The greatest reduction was achieved in the metallurgy of iron--52.3 percent--and in general engineering--8.8 percent.

Increased interest of enterprises in the development of qualitative indexes and rationalization measures designed to obtain savings showed favorable effects on the economy. The volume of adjusted domestic output increased 4.7 percent in the first half year and the plan was exceeded by 3.1 billion korunas. The overall output costs showed a relative decrease of 0.5 percent as compared to the first half of last year. In terms of individual types of outlays, the largest reduction was achieved in material costs (not including depreciation), which amounted to 1.6 percent, while wage and finance outlays showed a moderate growth. The share of material consumption in output (53.58 percent) was more favorable than prescribed by the plan (54.41 percent). Profitability of outlays and profitability of production funds were higher in the first half year than projected in the annual plan.

The effectiveness of investment means was influenced favorably by the growth of profit, while the exploitation of fixed assets and reserves did not show a gradual improvement. The volume of reserves continued growing faster than assumed under the plan; their turnover slowed by 1.4 days.

Employment in centrally planned industry increased in the first half year by 18,000 persons--that is, 0.7 percent--and reached 2,642,000 persons; that is, roughly 10,000 persons more than assumed in the plan. The relationship between the development of average wages and labor productivity continued developing according to the plan targets.

The available fund of manhours in industry was roughly the same as in the first half of last year (91.3 percent), while overtime was reduced. The shift coefficient for manual workers increased from 1.325 in the first half of last year to 1.329 this year.

The following results were obtained in individual branches of industry in the first half year. In the first half year, the fuel industry extracted a total of 61,325,000 tons of coal and lignite, which included extraction of 14,113,000 tons of hard coal and 47,212,000 tons of brown coal and lignite. The total mining plan for the first half year was fulfilled at 98.7 percent. There was a shortfall of the planned extraction in the case of SHD [North Bohemian Brown Coal Mine] in Most, which fulfilled 96.8 percent of the plan. Other coal-mining districts exceeded the semiannual plan. This applies especially to HDB [Brown Coal Mines and Briquette Plants] in Sokolov, with overfulfillment at 2.2 percent. In terms of strip-mining, 95.2 percent of the semiannual plan was fulfilled, including 93.3 percent fulfillment at SHD in Most.

The production of electric power reached 37,282 million kilowatt hours, 0.9 percent higher than in the first half of last year. An increase of electric power production was recorded above all at the nuclear electric powerplant (a 15.1 percent increase). Its share of total production reached 9.3 percent. The production of electric power at the nuclear electric powerplant in Jaslovske Bohunice in the first half year represents a total of 3.2 million tons of fuel coal. The production plan in hydroelectric powerplants was exceeded by 7.6 percent.

Thanks to the concentration of efforts and means and to the dedication of workers in the mining industry, necessary deliveries of heat and electricity were provided for the national economy and households. Organizations in the nonproduction sphere and the population consumed more electricity than projected in the plan.

In the metallurgical industry, total production was reduced by 0.8 percent according to the intentions of the plan, while the requirements of the national economy in terms of metals were being generally satisfied. This includes a 2.5 percent decrease of production in the metallurgy of nonferrous metals and a 0.6 percent decrease of production in the metallurgy of ferrous metals. Production in the extraction and treatment of ores increased 0.3 percent. According to the intentions of the plan, emphasis was placed on quality and improvements of the assortment structure of the rolled material. Production of rolled material made of refined steels increased 6.0 percent, production of thick metal sheets (3 millimeters thick and over) increased 10.6 percent, coarse refined profile steel increased 7.4 percent. The production of copper pipes increased 4.0 percent; technically pure aluminum, 5.6 percent.

In the machine-building industry, production increased 4.4 percent; that is, 2.1 points more than specified in the annual state plan. Changes anticipated according to the plan in the overall production structure were reflected in differentiated production growth in individual production fields and in end products. Fields being reinforced above all were modern, progressive fields in the electrotechnical and engineering industries and production with good marketing opportunities. The highest growth (6.5 percent) was in the electrotechnical engineering industry, which, due to the development of electronics, is creating conditions for accelerated growth of the technical level of the machine-building production and at the same time is the least demanding branch of the machine-building industry in terms of metal consumption. Within the framework of this branch, the most rapid development was registered in the production of progressive electronic parts, with an increase of 19.8 percent. The production of heavy current electronics, which is demanding in terms of material, increased only 0.4 percent, according to the plan.

Production in the heavy engineering industry increased 3.8 percent, including an increase of more than 17 percent for passenger railraod cars and 9.6 percent for pneumatic installations. The production of freightcars was reduced 4.6 percent, on the basis of the plan.

Production growth in the general engineering industry reached 4.0 percent. Production of agricultural machinery in particular showed rapid growth, more than 12 percent; production of roller bearings increased 6.9 percent.

In the chemical indsutry, production increased 0.6 percent, while the annual state plan assumes that it would decrease 1.0 percent, corresponding to a smaller amount of processed crude oil. Production in the rubber and asbestos industry increased 1.8 percent; production in crude oil chemistry and processing increased 0.4 percent. Production of plastics increased 11.7 percent and that of chemical fibers, 7.6 percent.

In the lumber industry, production increased 3.0 percent, including a 2.6 percent increase in wood processing itself and 3.6 percent in the cellulose and paper industry. The annual plan provides for an overall production increase of 5.7 percent. Nonfulfillment of the planned production tasks in the first half year was influenced above all by enterprises of the lumber industry and furniture industry in the SSR because of delays in the reconstruction of some production facilities.

Light industry achieved an overall production increase of 2.4 percent, which means 0.6 percentage points above the annual state plan. Higher increases were achieved in the following industries: clothing, 3.5 percent; glass, porcelain and ceramics, 3.0 percent; and printing, 2.7 percent. Production increased 2.1 percent in the leather and footwear industry and 2.2 percent in the textile industry.

In the construction materials industry, production in the first half year decreased 0.8 percent, in connection with the planned reduction of investment construction. The decrease was reflected particularly in the production of construction material, which is demanding in terms of energy, with, for example, a 0.3 percent decrease in the production of cement, 5.2 percent in the production of lime and 9.5 percent in the production of prefabricates. The production of glazed roofing increased 8.3 percent and ceramic tiles, 4.2 percent.

Building Industry

Programs under the plan for 1982 assume that the building industry will concentrate on finishing construction work and reducing the volume of unfinished construction according to the tasks of the investment construction plan. The plan is also based on the necessity to obtain in the building industry significant savings of fuels, energy, motor oils and basic construction materials. That is why the volume of construction work by workers of the building industry itself is planned for 4.3 percent below last year's level.

During the first half of this year, the building industry did not entirely fulfill the planned tasks. On the whole, construction enterprises handled work with 38.9 billion korunas during the first half year by using their own workers; this is, 5.4 percent less in comparison with the same period last year. The annual state plan was fulfilled in the first half year at the rate of 47.3 percent.

Nonfulfillment of the planned tasks was shown especially during the first months of the year. In spite of increased efforts, an attempt made during the second quarter to fulfill the plan was not entirely successful. A drop in construction work representing 151 billion korunas, and 119 billion korunas in terms of adjusted outputs of the building industry itself, increases the tasks for the second half year.

There was considerable unevenness between individual construction enterprises in the fulfillment of the planned tasks. Enterprises controlled by the CSR Ministry of Construction Industry exceeded the planned volume of construction work by 191 million korunas (plan fulfillment at 101.2 percent) and the plan of their own adjusted output by 32 million korunas.

Enterprises controlled by the SSR Ministry of Construction fulfilled the plan of the volume of construction work at 99.6 percent. They did not fulfill building production tasks representing 37 billion korunas or, in their own adjusted output, 100 million korunas.

The drop in the fulfillment of the planned tasks was concentrated in the local construction industry. The nonfulfillment of volume of construction work represents 337 million korunas. Okres construction enterprises in the CSR fulfilled 94.5 percent of the plan; those in the SSR, 95.8 percent. Nor is the plan of their own adjusted output being fulfilled.

Efforts in the construction industry have failed to reduce costs, increase profitability of building production and bring about a planned relationship between the development of average wages and the growth of labor productivity. Implementation of the planned tasks in the construction industry was hampered by shortcomings in the investment, project and contract preparation of construction and their harmonious coordination, as well as deliveries of technological and finishing installations. Construction facilities continue their scattered activities involving a large number of unfinished constructions.

The Presidium of the CPCZ Central Committee determined the tasks designed to create complex conditions for an overall increase of the output and effectiveness of the construction industry during the Seventh Five-Year Plan. So did the CSSR Government in June in the "Position concerning the Situation in the Construction Industry and its Pressing Tasks in the Process of Fulfillment of the Seventh Five-Year Plan."

Development of the Agricultural and Food-Processing Complex

Efforts concentrated on increasing the overall self-sufficiency and maintaining proportionality between the growth of vegetable and animal production. Deteriorating weather conditions in autumn and spring hampered efforts to complete work in the field on time. In spring they made it necessary to plow under a larger volume of grains, rape and perennial fodder plants as compared to previous years and they slowed the vegetative development of a number of agricultural products. Drops in the fulfillment of the sowing plan of the majority of key crops were reduced successfully by sowing supplementary crops on time.

In spite of a number of good results in some agricultural establsihments, statewide indexes of utility value remained mostly below the level of last year because of a shortage and poor quality of fodders. One of the favorable factors is the fact that the number of the heads horned cattle was increased and the number of hogs was decreased in the socialist sector of agriculture, as required by the state plan.

NUMBER OF HEADS OF FARM ANIMALS AS OF 1 JULY IN THOUSANDS

(in the entire agriculture)

	1981	1982	Index 1982/81
Horned cattle, total	5,131	5,166	100.7
including cows	1,878	1,873	99.7
Hogs, total	7,871	7,106	90.3
including sows	548	490	89.4
Poultry, total	60,088	64,850	106.3
Sheep, total	1,159	1,215	104.8

Due to a lower average milk yield, total milk production was lower than the first half of last year. In egg production, the lower average laying of eggs was compensated by a larger number of hens.

Bulk buying of animal products proceeded generally according to the schedule plan allocations, except for milk and slaughter poultry. By the end of the half year, purchases amounted to 863 thousand tons of live weight of slaughter animals, including poultry--that is, 51.5 percent of the annual task prescribed by the plan--2,483 million liters of milk--that is, 47.9 percent of the annual task (the drop represents 37 million liters of milk)--and 1.4 billion eggs--that is, 50.6 percent of the annual task. To a certain extent, the development of contractual fattening of farm animals by individual farmers was also a contributing factor tending to increase the level of bulk buying. Purchases made from these farmers during the first half year amounted to 17,500 slaughter animals (slaughter horned cattle, hogs, sheep and goats) and 13 million eggs. Measures adopted in bulk buying of fruits and vegetables from small growers are also beginning to show their positive effects.

Due to the effect of a smaller volume of bulk buying of certain agricultural products, overall production of food-processing industry declined 2.7 percent in the first half year. The semiannual plan was fulfilled at 102.1 percent.

Meat production decreased as planned in comparison with the first half of last year; the volume of slaughtered poultry decreased 3.2 percent. Production of pasteurized milk remained at the last year's level, production of butter in dairies increased 4.9 percent and production of cheeses increased 6.1 percent. This result was achieved while the production of certain dairy products was restricted. Beer production increased 2.9 percent; production of nonalcoholic beverages increased 7.0 percent.

Forestry

From the annual plan of lumber extraction (18.4 million cubic meters of lumber), the amount extracted in the first half of this year was 53.8 percent; that is, 9.9 million cubic meters. Deliveries of utility wood amounted to 8.8 million cubic meters; that is, 50.9 percent of the annual task. A total of 3.2 million cubic meters of wood was processed from lumber within the framework of overall extraction by using lumber obtained from natural disasters. Reforestation covered 4,000 hectares of land, substantially more than previous averages.

Water Utilization

The production of drinking water reached 817 million cubic meters; that is, 27 million cubic meters more than in the comparable period last year. The ratio of the population getting water from public water distribution networks increased from 70.9 percent to 72.7 percent as compared to the first half of the previous year. The ratio of the population residing in buildings connected to the public sewage system increased from 57.9 percent to 59.3 percent.

Transportation and Communications

As a result of structural changes and rationalization measures, efforts to reduce transportation demands on the national economy were successful. Transportation of goods is being shifted gradually to less energy-consuming transportation.

Public freight transportation was used in the first half of 1982 to transport 0.1 percent less of goods than in the same period last year. According to the intention of economic policy, transportation of goods by factory transportation was reduced 5.0 percent as compared to the first half last year. The share of public transportation in total transportation was 43.7 percent, including railroad transportation, 19.2 percent, and CSAD [Czechoslovak State Automobile Transportation], 23.8 percent.

Railroads handled 141.0 million tons of goods, which means 1.2 percent less than in the first half of 1981. Railroad loading services handled 118.8 million tons of freight. However, attempts failed to reduce the circulation period of a freightcar as planned. Absolute and relative savings of electric power and diesel oil were achieved in the consumption of fuels on individual railroad tracks. There was a shortage of the number of workers in key operational occupations in railroad transportation.

The volume of freight transportation by the CSAD services increased 0.8 percent as compared to the first half last year. A positive phenomenon was an absolute decrease of fuel consumption, which represents a 7.0 percent decrease as compared to the first half last year.

River transportation handled 1.3 percent more cargo than last year. The greatest contributing factor was the growth of transportation of energy coal for the electric powerplant in Chvaletice. The plan of energy coal transportation was fulfilled at 102.3 percent since the beginning of the year.

Public passenger transportation services transported 1,326 million persons; the total of passengers increased by 26 million persons. CSAD transportation services transported 1,117 million persons, railraod transportation services of the CSD [Czechoslovak State Railways] transported 208 million persons. In harmony with the intentions of the plan, there was a shift of passengers to railroad transportation. The Prague Metro in the first half year transported 131.7 million persons, 2.1 percent more than in the same period last year.

The number of telephones increased by 40 thousand. The density of telephone stations reached 21 per 100 population.

External Economic Relations

The intention of the plan to keep exports ahead of imports was accomplished. Balanced trade was achieved in trade with socialist states and the planned assets were obtained in trade with nonsocialist states.

The integration of the Czechoslovak economy in the international socialist division of labor was increased through participation in the implementation of integration programs of CEMA countries. Economic cooperation with socialist countries, particularly with the Soviet Union, continued on the basis of the "Complex Program of Socialist Economic Integration." Barter with CEMA member countries increased 14.9 percent as compared to the first half of 1981, including a 20.1 percent increase of commodity exchange with the Soviet Union.

In total Czechoslovak foreign trade, the share of socialist countries amounted to 75.2 percent. Long-term commercial agreements with CEMA member states took care of the predominant part of our needs in raw materials and energy.

With regard to nonsocialist countries, overall trade decreased 5.6 percent. This was partly due to discriminatory measures of advanced capitalist states.

Living Standard

Successful efforts were made in the first half of 1982 to maintain a high living standard. Collective consumption of the population also increased. Total monetary income of the population reached 182.4 billion korunas. In comparison with the first half last year, it increased by 6.1 billion; that is, 3.4 percent. Income from wages increased 2.4 percent. Average monthly wages of workers in the socialist sector of the national economy (not including JDZ [Unified Agricultural Cooperatives]) increased 2 percent to 2,680 korunas, as compared to the first half last year. Average monthly wages of workers in industry reached the figure of 2,837 korunas, an increase of 2.7 percent as compared to the first half last year. They reached 2,904 korunas in the construction industry, a 1.5 percent increase. Total monetary reserves of the population reached the level of 217.2 billion korunas, including 172.2 billion korunas in savings.

Social welfare measures in connection with price adjustments as of 30 January 1982 had a clear impact on the growth of social security benefits. Total benefits increased by 1.9 billion korunas--that is, 5.5 percent--as compared to the first half last year, reaching 36.4 billion korunas. This figure includes payments of 23 billion korunas of retirement benefits, 3.7 billion korunas of health insurance benefits and 7.1 billion korunas of additional allowances for children.

Retail trade for foods increased 6.4 percent. In comparison with the first half last year, sales of sugar increased more than 38 percent; milk, almost 2 percent; eggs, more than 4 percent; and vegetable fats, more than 10 percent. Although the demand for foods was generally covered, there were some shortcomings in the process of supplying foods to the population because the food-processing industry failed to deliver the necessary variety of foods. Deliveries of milk and dairy products were affected because the bulk milk-buying program in agriculture was not fulfilled. Certain oscillations in supply were also brought about by unjustified increases in purchases by the population.

The total number of children placed in kindergartens in the 1981-1982 school year amounted to 707,000 children, about 85 percent of children of that age group. During the previous school year, 695,000 children were in kindergartens.

The total number of apprentices was 405 thousand including almost 50 thousand in fields involving maturita [high school graduation]. Secondary day schools are attended by 393 thousand pupils; 156 thousand students study at advanced schools.

The capacity of health service facilities reached 190,300 beds, including 120,600 hospital beds. In comparison with the comparable period last year, the overall capacity of beds increased by 1,300; in hospitals, by 1,700. There were 300 persons for every physician. There are 116,300 places in nurseries, one-quarter of them in factory nurseries, including JZD's [Unified Agricultural Cooperatives].

In housing construction, the total of finished apartments was 32,200; that is, 6,600 apartments more than in the same period last year. With finished apartments, communal construction accounted for 5,500 apartments; cooperative construction, 14,200 apartments; enterprise construction, 2,800 apartments; and individual construction, 36,300 apartments.

The total volume of work and services for the benefit of the population and organizations in enterprises of the local economy and in production cooperatives increased 1.7 percent as compared to the first half last year. Receipts from the population for services increased 2.2 percent. Planned deliveries from these enterprises to the domestic market were exceeded by 3.4 percent.

The number of workers in the socialist sector of the national economy (not including JZD's) was 0.6 percent higher in the first half of 1982 than the same period last year, which means an increase of 39,000 persons. It amounted to 6,665,000 persons. The fastest growth of employment was recorded in centrally planned industries communications, domestic trade, health services and education.

The number of inhabitants increased by 24,000 in the first half of 1982. There were 52,000 new marriages in that period and 16,000 divorces. A total of 120,000 children were born. As of 30 June 1982, the population of the CSSR was 15,369,000.

The results show that in the second half of 1982 it is necessary to pay increased attention to further intensification of economic development, greater efficiency and economizing as the main ways of fulfilling the tasks of the annual state development plan. First of all, we must utilize to a greater extent the results of sicentific, technical progress; increase the quality of production and services; improve substantially the level of management; and, along with that, provide for a broad development of the initiative of the workers.

CSR Results

Prague RUDE PRAVO in Czech 29 July 82 p 2

[Excerpt from the report of the Czech Statistical Office]

[Text] The economic development of the CSR in the first half year corresponded essentially to the basic intentions of the plan. However, problems continue, to which we must pay more attention in the second half year. This concerns above all increased application of the results of scientific, technical development, greater exporting capacity, measures to provide for the planned tasks in the construction industry and greater utilization of reserves.

On the basis of the state plan for technical development, organizations within the CSR territory in the first half year handled 258 research and development tasks, 96.1 percent of which carried out within the planned time limits and technical, economic parameters.

In industry, the share of new products in the total value of industrial products increased from 15.4 percent in the first half of last year to 17 percent. The share of technically progressive products of the first-quality in the total production of commodities of tested quality increased from 22.6 percent to 28 percent.

In the area of planned investment construction (excluding Project Z and private construction), investment work and deliveries amounted to 20.8 billion korunas--that is, 43.5 percent--and deliveries of machinery and installations for 16 billion korunas--that is, 40.2 percent of the annual plan.

The plan of industrial production in centrally controlled industry was exceeded by 0.7 percent, and 50.5 percent of the annual plan was fulfilled. Priority was given to the development of those industrial branches based on the idea of increasing the value added to the domestic raw material base.

In the chemical industry, production increased 2.3 percent. The annual state plan provides for a production increase of 0.2 percent. The production increase was brought about mainly by the development of the production of plastics and small tonnage chemistry. Production of plastics increased 16.4 percent and production of chemical fibers increased 5.1 percent.

Production in the lumber industry increased 2.8 percent, while planned growth was 2.9 percent. Production in the wood-processing industry increased 3.1 percent and in the cellulose and paper industry, 2.3 percent.

Production in light industry increased 2.3 percent, while planned growth was 1.7 percent. The fastest development was in the glass, porcelain and ceramics industry, where production increased 3.1 percent. Production in the textile industry increased 2.4 percent; in the clothing industry, 2.3 percent; and in the leather, footwear, and fur industries, 1.4 percent.

Construction enterprises in the CSR did 25.3 billion korunas worth of construction work by using their own workers; that is, 0.5 percent less than prescribed in the semiannual plan. Nonfulfillment of the plan centered in okres construction enterprises, which lagged 6.4 percent behind the semiannual plan.

In agriculture, attention was directed mainly to priority development of vegetable production. Harvesting of the first crop of perennial fodders proceeded under favorable weather conditions and was completed by the end of June. The volume of the harvesting of the first crop is estimated to be lower than last year but the quality of the fodder has improved.

Bulk buying of slaughter horned cattle increased 5.5 percent as compared to the first half last year. On the other hand, bulk buying of slaughter hogs was 14.3 percent lower, according to the plan. Bulk buying of slaughter poultry was 1.7 percent lower; milk, 2 percent lower; and eggs, 4.3 percent lower.

In forestry, 6,864,000 cubic meters [of lumber] were extracted in the first half year; that is, 54.1 percent of the annual plan. Extraction increased 0.4 percent as compared to the first half last year.

In water utilization, production of drinking water reached 558 million cubic meters, 3.7 percent more than in the first half last year. The share of the population getting water from the public water supply network increased from 74.8 percent in the first half of 1981 to 76.5 percent. Railroad freight loading in the CSR territory decreased 0.3 percent as compared to the first half of 1981; the semiannual plan missed fulfillment by 2 percent.

Monetary receipts of the population increased by 4.2 billion korunas compared to the first half last year; that is, 3.4 percent. Receipts from wages increased 2.5 percent. Social security receipts increased 7.1 percent in connection with certain social security measures carried out concurrently with the adjustment of prices 30 January 1982.

Total social security benefits increased by 1.3 billion korunas; that is, 5.3 percent, as compared to the first half year in 1981. The amount paid in retirement benefit was 18.8 billion korunas; medical insurance benefits, 8.8 billion korunas. Allowances for children were 4.5 billion korunas; that is, 4.7 percent more as compared to the first half last year.

Retail trade in all systems reached 85.5 billion korunas in current prices, including 42.1 billion korunas for food. It increased 2.2 percent as compared to the first half last year, including a 6.3 percent increase of foods, while trade of industrial commodities declined 1.5 percent, due to inadeauate product innovation.

In housing construction, the number of completed apartments was 17,400, including 16,700 apartments built under the plan of the national committees; that is, 27.1 percent of the annual plan. This is roughly the same ratio as last year. Of the total, 2,300 apartments were completed under the communal construction development program; 6,800, under the cooperative construction development program; and 6,000, in individual construction of family homes. Construction of 22,000 apartments was initiated recently; that is, 43.5 percent of the annual plan.

SSR Results

Prague RUDE PRAVO in Czech 29 July 82 p 2

[Excerpt from a report of the Slovak Statistical Office]

[Text] Research and development activities in the SSR concentrated on basic tasks of development of the natural economy. They particularly concern improvements of value added and savings of raw materials, fuels and energy; innovations with qualitatively higher technical economic parameters; and final consequences in terms of labor productivity increases and improvements of the competitive capacity of our products on foreign markets.

The state plan of technical development includes 113 tasks. Problems in implementation continue. Provisions have been made to carry out 90 percent of the application tasks.

The number and value of new products have increased. The value of the increase reached 14 percent of the total production of goods. This share is not commensurate with the requirements of the domestic trade and foreign trade; not all products reached and required high technical economic level and utility features. Most industrial production is being innovated in qualitatively lower innovation areas; that does not satisfy customers' requirements.

In investment construction, work and deliveries completed within the scope of the planned annual volume represented a value of 20 million korunas, which means 42.2 percent (not including Project Z and housing construction by individuals). The completed construction volume reached 43 percent of the annual plan. Deliveries of construction work and technological installations lagged, particularly in major construction with budget outlays of more than 2 million korunas.

Production development in individual industrial branches was differentiated according to the state plan, giving priority to the development of progressive production fields. In this context, higher production growth was achieved in machine-building, cellulose and paper, health service and light industries.

Industrial production increased 0.4 percent as compared to the first half last year. This corresponded to the state plan. Production volume of the chemical industry declined 1.8 percent. In the rubber industry, production increased 2.3 percent. In the actual chemical production and processing of crude oil, volume declined 2.4 percent. In the lumber industry, production increased 3.2 percent, including a 1.2 percent increase in the wood-processing industry and 6.2 percent in cellulose and paper industry. Problems remain with starting production in new facilities of the cellulose and paper industry and in reconstructing some facilities of the lumber and furniture industries.

Production in light industry increased 2.5 percent, a higher growth than determined by the annual state plan. The increase in the clothing industry was 5.3 percent; in the printing industry, 5.2 percent; and in the leather and footwear industry, 3 percent. Production increased 2.2 percent in the glass industry and 0.6 percent in the textile industry.

Construction enterprises completed construction worth 13.5 billion korunas by using their own workers, thereby fulfilling 99 percent of the plan. The planned volume of work based on contract agreements was fulfilled at 99.8 percent (45.9 percent of the annual plan), including investment construction at 98.5 percent.

Agricultural crops were sown on 1,531,000 hectares of land. A total of 3,500 hectares remains unsown and unplanted. More land was sown than planned with the following crops: wheat, rye, oats, sugar beet and vegetables. Lesser acreage was sown with barley, grain corn, leguminous plants, potatoes, oleaginous plants and perennial fodders on arable land.

Purchases were made of 215,600 tons of slaughter animals, including 96,000 tons of slaughter horned cattle; the plan was exceeded by 3,600 tons. The amount of eggs bought for consumption was 9 million higher; the plan was fulfilled at 102.2 percent. The volume of purchased slaughter poultry was 449 tons smaller than planned; the volume of milk bought was 16.3 million liters less.

In forestry, extraction of lumber amounted to more than 3 million cubic meters, including 705,000 cubic meters of lumber resulting from natural disasters.

In water utilization, the production of drinking water reached 259 million cubic meters. The share of the population receiving water from the public water distribution network increased to 64.9 percent.

In railroad freight transportation, the amount of transported goods was 60 million tons; 97.2 percent of the plan was fulfilled.

Monetary receipts of the population of the SSR increased 3.5 percent as compared to the same period of last year, reaching 55.1 billion korunas. Income from work increased 2.2 percent. Total social security benefits increased 8.5 percent as compared to the first half last year, amounting to more than 11 billion korunas.

Retail trade in the principal commercial systems reached 33.2 billion korunas. The time plan was fulfilled at 100.4 percent, an increase of 4.2 percent compared to last year.

With regard to food products, satisfying consumer demand was influenced by periodic and local deviations in the supply of milk and dairy products. With regard to industrial goods, the supply improved in certain types of products that had been in short supply, even though there still were no adequate improvement in the variety.

A total of 14,800 apartments was completed in all forms of housing construction, representing 36.1 percent of the annual plan. Contracting organizations completed 11,000 apartments, 39.4 percent of the annual plan.

The people completed 3,800 apartments through self-help construction of family homes and cooperative buildings. The program started with the construction of 14,300 apartments, including 9,400 by contracting organizations and 4,900 apartments by self-help.

5668
CSO: 2400/334

PRODUCTION, EXPORT OF HOPS VIEWED

Prague MEZINARODNI ZEMEDELSKY CASOPIS in Czech No 2 82 pp 26-29

[Article by Eng O. Paul, director of the Chmelarstvi [Hops Cultivation] branch enterprise in Zatec: "Czechoslovak Hops"]

[Text] Hops are a commodity in demand on the world market. The production of beer is increasing on the average 2.5 percent each year, and as early as in 1980 it reached a volume of 930 million hectoliters. The consumption of this popular beverage keeps increasing much faster in socialist countries than in nonsocialist countries. As the living standard in countries of the third world keeps rising, one can expect that the beer-brewing industry will keep developing in those countries in the future. That is why there is a marketing guarantee for hops as a raw material even in the future.

Hops are cultivated nowadays in 25 states on an overall area of 88,000 hectares. The biggest growers are the United States, the FRG, the USSR and the CSSR. The annual production of dry hops amounted to 117,000 tons in 1980. All CEMA states except Cuba grow hops. The share of these countries in the world production is 23 percent, the share of the CSSR in 1980 was 8.6 percent. The production of hops in CEMA countries does not cover their consumption, and consequently a considerable amount of hops is imported each year.

The CSSR is the only CEMA country which exports hops. It exports two-thirds of its production, and next to the United States and the FRG, it is the biggest exporter. Its share in world exports is 17 to 20 percent.

Hops growing is of considerable economic significance for the Czechoslovak national economy. First of all, it makes it possible to take care of the production of beer by using the country's own resources. That is a demanding task, because beer consumption per capita population in Czechoslovakia is the highest in the world (160 liters). Foreign-exchange receipts from imports multiply the intensity of the yields of agricultural enterprises. In exchange for hops produced on 1 hectare of land, it is possible, for example, to import 30 to 35 tons of wheat. It would be necessary to use as much as 10 hectares of land to produce that amount of wheat.

Hops growing in the CSSR has a tradition of 1,000 years standing. Hops were exported as early as in the 10th century to the Hanseatic cities. Hops were cultivated originally all over the country, on large estates owned by the aristocracy and bourgeoisie, also owned breweries. However, since the 18th century hops growing was gradually concentrated in the highest quality areas. Hops grown in the area of Zatec in particular became world famous because of their mildness, aroma, purity, and durability. These hops are considered as having reached the highest standard and also have the highest monetary value.

These hops still encounter some objections because of a lower content of bitter acids, which is a typical characteristic of the Zatec variety called "cervenak" (red hops). In spite of that, this type is in demand and imported even by those countries which have a surplus of other hops, and especially where the market is saturated with beer and the quality of a given trademark product determines whether the beer can be sold. For reasons of economy, breweries are using coarse hops or extracts in the first two doses of hops, but they use Zatec hops for the last dose, after which the beer retains its typical aroma and pleasant bitter taste. Attempts to grow hops of the same quality from Zatec seedlings in other areas have failed.

The quality of the Zatec hops is determined by the sum total effect of a number of factors, and the variety itself is only one of them. Other factors are natural conditions related both to soil and climate. The quality of the hops is also influenced by the tradition of hops growing over many years, by expert knowledge of the growers, and by their honest and conscientious work.

There are 120 agricultural enterprises in the CSSR which grow hops. The average acreage of this product amounts to almost 100 hectares, but there are enterprises where the acreage of hops is in excess of 600 hectares, such as for example the JZD [Unified Agricultural Cooperative] in Tuchorice, JZD in Blsany, the Horesedly State Farm. And so there is clear specialization in these enterprises, where the receipts from selling hops exceed 50 percent of the total marketing production derived from all crops.

The concentration of the areas is less pronounced for the time being. This is due to the fact that hops gardens last for many years, more than 20 years in the same place, and that it depends on the manpower, sty manure, and so on. However, blocs of hops gardens today reach the size of 50 to 100 hectares and even more, and they make it possible to take advantage of large-scale mechanization, including the use of airplanes and helicopters. Specialized hops production units are formed within the enterprises, which have their own administration, their own labor force, allocations of mechanized equipment, and khozrashchet method of economic management. The branch enterprise CHMELARSTVI (HOPS CULTIVATION) plays a significant role in the development of this branch. In addition to purchasing and processing hops, which is its monopoly, it also shares in production planning, preparation of long-term concepts, economic analyses of the results. It provides professional and technical services for the enterprises, consultation services, and additional training of professional personnel. It is a general supplier of investment machinery and constructions used for hops, provides for designing and building of constructions for hops growing, installation of Czechoslovak machinery, and handles repairs and servicing. It supplies agricultural enterprises with necessities for hops growing, tools, spare parts, and hops seedlings.

Within the framework of the Set of Measures designed to improve the planning and management of the national economy, the responsibility of the enterprise is increasing for the entire branch of the economy and for its development and implementation of progressive modern methods and production intensification.

The Hop Cultivation Research Institute, which is the largest in the world, is integrated in the economic branch of hops growing.

The newly built facilities of this institute include modern laboratories, greenhouses, 90 hectares of hops gardens. The institute is divided into departments of genetics and cultivation, agrotechnics and mechanization, nutrition and protection, economics of hop growing.

New findings obtained through research and also through leading innovators in practice are tested on the Steknik specialized farm, and the most rational methods of cultivation are exhibited for the benefit of agronomists of agricultural establishments on the so-called days of new technology.

Also, the periodical CHMELARSTVI [HOP CULTIVATION] is published in the CSSR. In addition to providing information about new findings in science and technology, it provides for exchange of experience of leading hops growers and production innovators, and informs its readers about world novelties in the field.

Experts from JZDs and state farms receive finishing training each year at regular weekly gatherings in order to maintain and increase their professional level. The Medium Agricultural Technical School in Zatec specializes in training young experts, and a 2-year postgraduate study in the field of hops cultivation is organized for graduates in engineering at the Advanced School of Agriculture in Prague.

All measures are designed to reach the goals outlined by the 15th CPCZ Congress and approved again at the 16th Congress: to bring about maximum intensification of agricultural production, provide for the continuously increasing food requirements through domestic production, and achieve a high degree of efficiency in the economy for the benefit of the development of the entire society.

Hops growing in the CSSR is concentrated in four areas. The largest one, the region of Zatec, with subregions of Podlesi, Zlaty potok, Rakovnicko, and Poohri, covers two-thirds of the hops acreage in the CSSR. Ustice-Roudnice oblest holds second place. That is the region where the so-called "Semes" hops come from. This variety has become the foundation of all the present clones of the Zatec red hops. The smallest region is Trsice Oblast in Moravia. Hops growing started in Slovakia in the postwar years in the area of Piestany and Topolcany, and this oblast is being developed successfully.

The areas of hops growing in the CSSR are strictly determined by a decree of the CSSR Ministry of Agriculture and Nutrition, and hops cannot be grown outside of them. The law also provides for obligatory destruction of wild hops to prevent undesirable growth of seeds in cultivated areas.

One can cultivate only those varieties and clones which have been derived and perfected from the semiearly Zatec red hops and approved by the CSSR State Crop Variety Commission. The most widespread varieties are the so-called Oswald clones, named after K. Oswald, an important grower and founder of Czechoslovak hops cultivation research. Among new clones produced by the Hops Cultivation Research Institute in Zatec, those which are being used now on an increasingly wider scale are the varieties called Aromat, Sirem and Zlatan. These are more resistant to diseases, have a higher yield and adequate content of substances which are valuable to breweries, and at the same time they retain all the typical characteristics of the Zatech hops.

Renewal of hops gardens is carried out every year approximately on 5 percent of the areas. Hops used for planting are first of all potted hops cultivated from seedlings grown in the so-called recognized maternal areas. Potted hops are cultivated by a large-scale production method on so-called seedling farms. The largest ones of these are the JZD Stankovice, the VUCH [Hops Research Institute] in Steknik, JZD Hostka, JZD Cista, and others.

An important problem of Czechoslovak hops production, which has an impact on production expansion and on the yield per hectare, is the manpower requirement in cultivating hops, because there is a shortage of manpower in agricultural enterprises. Springtime work in particular, wiring and planting of hops, suffers from the fact that labor brigades are insufficiently qualified, and this type of work is often delayed.

Another disadvantage of hops growing is the risk involved and oscillations of the yields in individual years, because hops react very sensitively to heat, drought and agrotechnical interventions. The largest acreage of hops in the CSSR (7,000 hectares) is located in the rain shade of the Doupa Hills and Krusne Mountains, where the average precipitations in the last 50 years were less than 450 millimeters, and in addition the precipitations are distributed inconveniently during the vegetative period. Water shortage is, for the time being, an obstacle to expanded irrigation which would stabilize the yields. In spite of that, it is now possible to irrigate about 1,200 hectares of the land.

Hops are very demanding in terms of chemical protection against diseases and pests. The quality and timeliness of these operations affect not only the yields but also the quality of the crops. Even though the climatic conditions and the protective forest belts in the Zatec region reduce diseases as compared to other areas, four to five protective chemical sprays are used (as compared to 10 to 15 in foreign countries). These operations are carried out by experts and experienced workers of agricultural enterprises under the supervision of the Hops Protection Commission, which is composed of representatives of the Hops Cultivation Research Institute, the CSR Ministry of Agriculture and Nutrition, and okres agricultural administrations.

The Slovair enterprise provides for chemical spraying by airplanes, which is used as a supplementary method. Protective means manufactured in the CSSR and imported from foreign countries are subject to strict control by the VUCH in terms of health protection at work, prevention of the formation of residues in the heads of hops, and also in terms of protection of the natural environment. Agrochemical enterprises will gradually take over the controlled protection of hops on the basis of precise technologies worked out by the VUCH. They will intensify even more the scientific nature of these interventions, utilize prognoses of the occurrence of diseases, and the operational signalization system.

The harvesting of hops in the CSSR is entirely mechanized. Manual harvesting is used only in young hops gardens producing crops for the first time (4 to 5 percent of the acreage). There are 550 combing machines available. Most of these and drying machines are in Czechoslovakia. Although the harvesting is fully mechanized, the help of labor brigades, representing about 17,000 workers over 18 years old, is needed to handle the machinery, and approximately the same number of workers to do auxiliary work.

One LCCH-1 combing machine (manufactured by Agrostroj, National Enterprise in Prostejos) harvests daily more than 1 hectare of hops gardens in two shifts and the harvesting is usually completed in 15 to 18 days. Traditional hops harvesting celebrations are organized during the harvesting in the center of the Czechoslovak hops cultivation, namely in Zatec.

One single organization, the Hops Cultivation branch enterprise in Zatec, buys and processes dried hops in the CSSR. This enterprise has packing plants in Zatec, Chlumcany, Roudnice, Ustek, in Trsice and Bojna, where hops are cleaned, freed of admixtures, sterilized, and homogenized in uniform portions of the same content. Depending on the customers' wishes, the hops are compressed in packs or processed in granulated or powder form. Two-thirds of the Czechoslovak production is exported, one-third is kept for use in Czechoslovak breweries.

Hops are exported to about 70 countries on 4 continents. Zatec hops are also purchased by all CEMA countries, even though additional purchases of a certain amount of cheaper hops are made on capitalist markets.

Czechoslovak hops growers actively support the development of hops cultivation in socialist countries, because they cannot take care of their increasing consumption. The growing living standard in these countries, the development of their tourism, and the tendency to reduce the consumption of alcoholic beverages containing a high percentage of alcohol are bringing about a rapid growth of the beer-brewing industry and of its demands for raw materials, which will have to be covered first of all from domestic resources.

Cooperation of Czechoslovak hops growers with Soviet hops growers has continued for many years and is specific. Long-term development tasks are handled jointly with the Zitomer hops growing region on the basis of CEMA agreements in the sector of construction of facilities for hops cultivation and in the raising of new clones. The CSSR provides methodological assistance for a young but rapidly developing hops growing region in the Chuvash Autonomous Republic,which offers good prospects for the future.

Cooperation has been established also with scientific and technical workers in the field of hops cultivation in the GDR, in dealing with problems of technology and mechanization, and in research concerning agrotechnical methods.

The VUCH in Zatec is visited regularly for long-term stays and consultations by hops growers from Hungary, Bulgaria, Romania and Poland. Machines for harvesting and postharvest processing of hops, manufactured in Czechoslovakia, are being delivered to all these socialist countries. Mutual assistance and cooperation are also developing in the sector of breweries.

In spite of these good results of mutual cooperation, it would be appropriate to establish even closer and longer relations and provide for specific division of labor not only in dealing with research and cultivation tasks, but also in manufacture of machinery and equipment produced in small series, which both the CSSR and other states find difficult to handle, and which they get mostly through imports. Coordination of the purchases of hops on capitalist markets would also be beneficial. CEMA countries will always buy a certain amount of Czechoslovak hops because of the growing demands for high-quality beer, but in addition they will continue buying cheaper coarse hops for many years to come.

The task in the development of hops production in CEMA member countries is to reduce dependence on imports from nonsocialist countries.

Czechoslovak hops cultivation was given a clear prospect for the forthcoming years. The main directives for economic and social development approved at the 16th CPCZ Congress determine that the production requirements during the Seventh Five-Year Plan will be increased by fully one-fifth as compared to the previous period of 1976 to 1980. They way to implement this task is primarily to intensify production. That calls for agricultural machinery of high quality used on time, the full number of hops stems in hops gardens, correct nutrition, use of irrigation, timely renewal of hops gardens which are too old, and so on.

The state stimulated greater interest in hops growing by fixing new prices which became effective in 1981, and also by a policy of subsidies of the development of hops garden constructions and by increasing investments, particularly machinery investments.

A new Czechoslovak purchase norm will also help to increase the quality further. It is substantially more demanding in terms of the content of bitter acids, cleanliness of combing, and health condition of the crops.

Exceptionally high requirements will be set in the Seventh Five-Year Plan for the work of the VUCH. Rationalization and intensification of hops production require first of all a complex development of new scientific technical and technical methods and their introduction into practice, particularly from the viewpoint of reducing the need for manual labor, health protection at work, and savings of energy, fuels, and other outlays. Science, research and technical development will have the last word in that respect.

The Hops Cultivation National Enterprise will use mechanized equipment of the highest world parameters even during postharvest processing of hops. It is expected that the production and quality of granulated hops will be increased substantially. Thanks to this type of hops, breweries are getting on the average 15 percent savings of hops, and also much more suitable storage facilities, long-term storage, and easier manipulation. New methods of hops processing are being tested.

The decisive factor in influencing results is man, his work, his approach to the implementation of tasks. In order to carry out the conclusions of the 16th Congress, movements of brigades of socialist labor, movements based on competition and assumed obligations are developing in hops-growing establishments. The competition movement called "Export without Complaints" exercises considerable influence on the Hops Cultivation National Enterprise. Comprehensive efficiency brigades, composed of leading experts in practice and research, are being organized to deal with special problems.

Czechoslovak hops cultivation has all the political and economic prerequisites for a continuous advance, for taking care of the planned tasks, and for carrying out its mission within the framework of CEMA.

5668
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LIVESTOCK PRODUCTION REVIEWED

Prague NAS CHOV in Czech No 5, 82, pp 183-186

[Article by Eng Dr Josef Krecek, deputy director of the agricultural production department, Federal Ministry of Agriculture and Food, Prague: "Evaluation of 1981 Results in Animal Production"]

[Text] The plan for the first year of the Seventh Five-Year Plan called for a decrease of 13,000 tons or 0.8 percent in the purchase of slaughter animals as compared with 1980. The plan target for slaughter pigs was 28,500 tons below and the plan target for slaughter cattle 16,100 above the reality of the last year of the Sixth Five-Year Plan. Likewise, the target for marketable production of slaughter poultry was 13,100 tons lower or 5.4 percent, and the target for egg procurement was lowered to 23.2 million or by 0.9 percent.

The lower rates were thus set by the plan primarily in those sectors which are directly dependent on the grain fodder resources. We faced demanding tasks in view of the limited fodder supply. The analysis of the results achieved in the first year of the Seventh Five-Year Plan reveals that it was precisely grain fodder whose limited supply profoundly affected the fulfillment of tasks listed in the plan.

While gross animal production declined 0.7 percent in comparison with the last year of the Sixth Five-Year Plan, animal production for the market reached the same level as in 1980.

With the exception of milk, the state plan for procurement of main animal products was fulfilled to the following extent: slaughter animals 101.6 percent, slaughter poultry 103.8 percent, eggs 101.7 percent and milk 99.4 percent.

The 1980 procurement level was surpassed by more than 22,400 tons of slaughter animals excluding poultry, 5.9 million liters of milk and 21.9 million eggs. On the other hand, the purchase of slaughter poultry was 4,400 tons below the reality of the last year of the Sixth Five-Year Plan.

Table 1 contains a summary of the plan fulfillment for purchase of animal products in individual republics in 1981.

Table 1. Plan fulfillment for procurement of animal products in individual sectors in 1981

Indicator		Plan target 1981	Reality as of 31 Dec 81	Difference from 1981 plan
Slaughter animals, total	CSSR	1 586,-	1 611,3	+25,3
(excluding poultry)	CSR	1 104,-	1 126,8	+22,8
in 1000 tons	SSR	482,-	484,5	+ 2,5
Including:	CSSR	685,-	650,2	-34,8
slaughter cattle	CSR	498,-	468,2	-29,8
in 1000 tons	SSR	187,-	182,-	- 5,-
slaughter calves	CSSR	17,-	12,4	- 4,6
in 1000 tons	CSR	12,-	8,6	- 3,4
	SSR	5,-	3,8	- 1,2
slaughter pigs	CSSR	874,-	936,9	+62,9
in 1000 tons	CSR	591,-	645,4	+54,4
	SSR	283,-	291,5	+ 8,5
slaughter sheep and goats	CSSR	10,-	11,7	+ 1,7
in 1000 tons	CSR	3,-	4,5	+ 1,5
	SSR	7,-	7,2	+ 8,2
Slaughter poultry	CSSR	231,5	240,3	+ 8,8
in 1000 tons	CSR	151,-	159,4	+ 8,4
	SSR	80,5	80,9	+ 0,4
Milk	CSSR	5 200,-	5 168,8	-31,2
in million liters	CSR	5 730,6	3 730,6	-19,4
	SSR	1 450,-	1 438,2	-11,8
Eggs	CSSR	2 660,-	2 705,1	+45,1
in million each	CSR	1 870,-	1 922,5	+52,5
	SSR	790,-	782,6	- 7,4

Among the krajs the best procurement results were achieved by the South Moravia, North Moravia, West Bohemia and West Slovakia krajs which met all indicators of market animal production. The North Bohemia, Central Bohemia, East Bohemia, South Bohemia and Central Slovakia krajs did not meet the target set for the purchase of milk. In addition to milk, the East Bohemia kraj failed to fulfill also the plan for procurement of slaughter poultry and eggs.

Several krajs finished 1981 with a considerable deficit in the procurement of milk: the deficit was 12.6 million liters in the North Bohemia kraj, and 9.8 million liters in the East Slovakia and Central Bohemia krajs.

A critical analysis reveals, however, that the general seemingly favorable fulfillment of tasks particularly in the procurement of slaughter animals excluding poultry was achieved not by higher annual production, but primarily by reducing the existing stock of pigs and slaughter cattle as a result of the adopted regulatory measures.

This is graphically illustrated in Table 2 from which it is evident that in comparison with 1980 the average milk production per cow increased by 2 liters, egg production per hen by 2 and the number of suckling pigs per sow by 0.5.

Table 2. Utility of domestic animals in 1981 in comparison with 1979 and 1980

Indicator	Unit and year		CSSR	CSR	SSR
Average milk production per cow for all sectors from the beginning of the year	1	1981	3 086	3 105	3 044
		1980	3 084	3 119	3 003
		1979	2 951	2 949	2 956
Average milk production per cow in socialist sector from the beginning of the year	1	1981	3 103	3 103	3 103
		1980	3 104	3 104	3 117
		1979	2 970	2 942	3 039
Breeding of calves per 100 cows	each	1981	98,15	100,08	93,40
		1980	98,48	100,46	93,58
		1979	97,41	98,98	93,46
Breeding of suckling pigs per sow	each	1981	17,21	17,66	16,30
		1980	16,71	16,97	16,18
		1979	16,32	16,33	16,29
Average egg production per hen all sectors	each	1981	230	237	215
		1980	228	235	214
		1979	224	229	215
Average daily gain of pigs in fattening	g	1981	498	503	487
		1980	516	523	502
		1979	505	507	502
Average weight of slaughtered cattle	kg	1981	462	464	458
		1980	473	476	465
		1979	466	466	467
Average weight of slaughtered calves	kg	1981	70	67	78
		1980	87	88	85
		1979	86	86	88
Average weight of slaughtered pigs	kg	1981	105	106	104
		1980	110	109	110
		1979	110	109	112
Average daily gain of cattle in fattening	kg	1981	0,68	0,66	0,73
		1980	0,72	0,71	0,74

On the other hand, the number of calves bred per 100 cows declined by 0.3 each. There was an unfavorable trend in weight gain for fattened cattle and pigs. The average daily weight gain of cattle declined 40 grams and of pigs 18 grams (including prefattening) during 1981 in comparison with the last year of the Sixth Five-Year Plan. The actual gains of fattened cattle and pigs were the lowest since 1968.

The average weight of slaughtered cattle, including cows, declined 11 kg from 1980 and that of slaughtered cattle excluding cows 8 kg. The weight of slaughtered calves declined 17 kg. The principal reason for the smaller weight of slaughtered calves was the imposing of limits on milk feeding of calves designed for slaughter in the CSR because of the shortage of fat substances used in the production of fodder compounds. In comparison with the reality of 1980, only 47,600 calves or 57.4 percent of calves were milk fed. The weight of slaughtered pigs declined 5 kg during the same period.

In contrast to the negative tendencies in utility prevailing in 1981, the losses caused by the death of domestic animals were reduced. The mortality of newborn calves declined from 5.4 percent to 4.9 percent, and that of suckling pigs from 6.9 percent to 6.2 percent. The losses caused by death in other categories of cattle declined from 1.7 percent to 1.65 percent and among pigs from 6.9 percent to 6.8 percent.

The summary in Table 3 confirms the unfavorable trend in utility in most krajs. A favorable increase in milk production per cow for example was achieved only in the West Slovakia and West Bohemia krajs. On the other hand, milk production per cow declined considerably in the North Moravia, East Bohemia and Central Bohemia krajs.

With the exception of the South Moravia, West Slovakia and Central Bohemia krajs, the number of calves bred per 100 cows declined in all other krajs. On the other hand, breeding of suckling pigs and egg production continued to show a favorable trend in all krajs.

A completely unfavorable situation manifested itself in the daily weight gains of pigs and cattle. The principal cause of this undesirable development was the necessary reduction in the grain fodder supply particularly during the post-harvest period which could not be offset. As a result, in comparison with the gains during the first three quarters, the average daily gain of cattle declined from 0.70 kg to 0.63 kg and of pigs from 0.502 to 0.487 kg during the fourth quarter.

The projection of these figures into production reveals that every head of cattle gained 6.5 kilograms less and every pig 1.5 kilograms less during the fourth quarter than was the average gain during the preceding three quarters of 1981.

Table 3 Summary of indicators of utility of domestic animals in 1980 and 1981 by krajs

Kraj	Average milk production per cow and year (liter)		Number of calves bred per 100 cows (each)		Number of suckling pigs per sow(each)		Aver. daily gain of cattle in fattening (kg)		Aver. daily gain in fattening and prefattening of pigs (kg)		Aver. annual egg production per hen (each)	
	1980	1981	1980	1981	1980	1981	1980	1981	1980	1981	1980	1981
Central Bohemia	3033	2996	95,88	96,08	16,39	16,75	0,65	0,61	0,535	0,512	227	227
South Bohemia	2935	2949	103,95	102,94	17,51	18,07	0,75	0,70	0,528	0,506	225	230
West Bohemia	2965	3018	99,43	97,89	17,76	18,18	0,71	0,68	0,525	0,527	228	228
North Bohemia	2970	2871	98,72	97,55	16,29	16,79	0,63	0,60	0,518	0,492	235	239
East Bohemia	3249	3224	103,51	102,63	17,10	18,06	0,68	0,63	0,532	0,521	237	240
South Moravia	3311	3315	99,51	102,02	17,09	18,02	0,77	0,72	0,515	0,490	244	246
North Moravia	3154	3116	102,06	99,31	16,64	17,46	0,71	0,63	0,507	0,478	243	249
West Slovakia	3487	3549	96,22	97,12	16,65	16,70	0,79	0,77	0,512	0,491	225	228
Central Slovakia	2821	2827	90,86	90,76	15,09	15,20	0,70	0,69	0,492	0,484	216	217
East Slovakia	2616	2632	91,88	89,83	15,80	16,17	0,68	0,69	0,477	0,474	194	190

Fodder Consumption Trends

An analysis of the trends in fodder consumption and supply based on the statistical data has revealed that to meet the animal production targets set for 1981 8,357,000 tons of grain fodder and 5,966,300 tons of starch units of bulk fodder were consumed in the socialist sector. This means a reduction of 317,000 tons of grain fodder and 53,700 starch units of bulk fodder.

Fodder compounds account for 89.4 percent and grain directly fed for 9.2 percent of the total consumption of grain godders in the agricultural enterprises. In comparison with 1980, consumption of fodder compounds was reduced by 284,300 tons and of directly fed grain by 31,300 tons in agricultural enterprises in 1981.

The overall reduction of grain fodder consumption in comparison with 1981 was primarily due to the regulation of swine stocks during the fourth quarter and partly also to the measures designed to save fodder in accordance with CSSR PV resolution No 170/81.

Positive results in this sense were achieved particularly through the stricter system of administration of fodder compounds, transition of some agricultural enterprises from dry fodder to damp fodder feeding of pigs, more effective utilization of waste potatoes for feeding pigs, putting into operation of new cattle centers with regulated feeding and so on.

The effect of these measures is clear for example from the reduced consumption of grain fodder per kilogram of live weight of pigs from 3.77 kg to 3.70 kg in comparison with 1980, per one liter of milk from 0.27 kg to 0.25 kg and per kilogram of live weight of cattle from 2.48 kg to 2.35 as Table 4 illustrates.

This reduction of the annual consumption of grain fodder in comparison with 1980, which was necessitated by the shortage of grain fodder mainly during the period preceding the new harvest, was, however, reflected in the unfavorable reduction of weight gains in all categories of cattle and pigs particularly toward the end of the third and during the fourth quarter.

Within the general restriction of grain fodder resources which could not be offset, the lower effectiveness of nutrients in fodder compounds was the main reason for lower intensity particularly of slaughter cattle and slaughter pigs. In comparison with the first 9 months of the year, the share of grains in all fodder compounds on the average declined from 71.2 percent to 68.6 percent during the fourth quarter. This was unfavorable reflected in the lower energy value of fodder compounds.

Trends in Herds of Domestic Animals

In comparison with the situation on 1 January 1981, the numbers of all basic types of domestic animals--with the exception of pigs and horses--increased as of 1 January 1982. The number of head of cattle increased 101,700, while the number of cows increased 3,100.

Of this increase, beef cattle accounted for 46.3 percent, heifers more than one year old for 32.3 percent, other cattle for 18.4 percent and cows for 3 percent.

Table 4. Grain fodder consumption per unit of animal production during the 1979-1981 period by krajs and republics (in kg)

Krajs, republics	Per liter of milk			Per kg of slaughter cattle			Per kg of slaughter pigs			Per egg			Per kg of broiler		
	1979	1980	1981	1979	1980	1981	1979	1980	1981	1979	1980	1981	1979	1980	1981
Central Bohemia	0,29	0.27	0,25	2,80	2,54	2,42	3,83	3,71	3,66	0,17	0,16	0,16	2,67	2,72	2,66
South Bohemia	0,27	0,26	0,23	2,89	2,83	2,70	3,71	3,62	3,58	0,16	0,15	0,15	2,53	2,59	2,59
West Bohemia	0,29	0,27	0,25	3,13	2,87	2,70	3,69	3,63	3,56	0,17	0,16	0,16	2,49	2,50	2,48
North Bohemia	0,31	0,29	0,27	3,26	2,63	2,72	3,80	3,61	3,62	0,18	0,17	0,17	2,62	2,56	2,67
East Bohemia	0,30	0,28	0,27	3,03	2,69	2,25	3,71	3,62	3,54	0,17	0,17	0,17	2,57	2,56	2,55
South Moravia	0,29	0,26	0,24	2,55	2,24	1.97	3,79	3,68	3,56	0,17	0,17	0,16	2,59	2,59	2,51
North Moravia	0,30	0,27	0.25	2,68	2,50	2,24	3,81	3,74	3,65	0,17	0,17	0,16	2,43	2,53	2,50
West Slovakia	0,29	0,26	0,26	2,30	2,06	2,03	3,98	3,94	3,89	8,18	0,18	0,18	2,73	2,75	2,72
Central Slovakia	0,31	0,29	0,28	2,78	2,47	2,36	4,10	4,00	3,93	0,18	0,18	0,18	2,98	2,86	2,81
East Slovakia	0.29	0.27	0.27	2,66	2,50	2,53	4,28	4,14	4,11	0.18	0,18	0,18	2,92	2,83	2,85
CSSR	0.29	0.27	0.25	2,73	2,48	2,35	3,87	3,77	3,70	0,17	0,17	0 17	2,67	2,66	2,64
CSR	0.29	0.27	0.25	2,83	2,57	2,40	3,77	3,67	3,59	0,17	0,17	0,16	2,57	2,58	2,57
SSR	0.29	0.27	0.27	2,51	2,27	2,23	4,06	3,99	3,93	0,18	0,18	0,18	2,84	2,80	2,78

The number of sheep increased 49,700, of poultry 105,000 including [??!!!] hens 175,200.

The number of pigs declined by 591,500 including sows by 63,900 which was in harmony with the decisions adopted in view of the potential fodder supply.

Table 5 lists the numbers of domestic animals in the republics in the last 3 years.

Table 5 Summary of numbers of domestic animals during the 1980-1982 period

Indicator		Situation as 1 January			Index 1981 = 100
		1982	1981	1980	
Cattle, total	ČSSR	5 103,3	5 001,6	4 914,8	102,0
	ČSR	3 556,1	3 498,8	3 429,0	101,6
	SSR	1 547,2	1 502,8	1 485,8	103,0
including cows	ČSSR	1 904,8	1 901,7	1 903,3	100,2
	ČSR	1 316,6	1 317,1	1 318,9	100,0
	SSR	588,2	584,6	584,4	100,6
Pigs, total	ČSSR	7 302,3	7 893,6	7 588,2	92,5
	ČSR	4 724,6	5 105,5	4 796,9	92,5
	SSR	2 577,7	2 788,1	2 791,3	92,5
including sows	ČSSR	508,2	572,1	585,1	88,8
	ČSR	319,8	368,4	384,6	86,8
	SSR	188,4	203,7	200,5	92,5
Sheep total	ČSSR	959,4	909,7	875,4	105,5
	ČSR	327,4	307,8	290,1	106,4
	SSR	632,0	601,9	585,3	105,0
includ. ewes	ČSSR	453,8	432,8	409,9	104,9
	ČSR	121,2	112,4	104,7	107,8
	SSR	332,6	320,4	305,2	103,8
Poultry total	ČSSR	47 387,9	47 282,9	48 350,8	100,2
	ČSR	31 408,4	31 472,0	31 926,1	99,8
	SSR	15 979,5	15 810,9	16 424,7	101,1
includ. hens	ČSSR	22 558,3	22 383,1	21 845,7	100,8
	ČSR	14 809,1	14 925,6	14 590,7	99,2
	SSR	7 749,2	7 457,5	7 255,0	103,9
Horses	ČSSR	43,8	44,9	46,8	97,6
	ČSR	24,1	24,4	24,8	98,8
	SSR	19,7	20,5	22,0	96,1

1982 Tasks for Market Production of Principal Animal Products

In comparison with the reality achieved in 1981, the plan targets for purchase of slaughter animals excluding poultry are by 169,600 or 10 3 percent lower for this year. The key position in this overall reduction of procurement of slaughter animals is occupied by the slaughter pigs whose number was reduced by 154,200 tons or 16.5 percent. The targets of this year's market production of poultry were reduced by 7,300 tons or 3 percent, and for egg procurement by 5.3 million or 0.2 percent.

On the other hand, the 1982 state operations plan calls for an increase in the procurement of milk by 11.3 million liters or 0.2 percent in comparison with 1981.

A superficial glance at this year's tasks could lead to the assumption that the tasks are not demanding. An analysis of all basic inputs anticipated for agriculture and animal production in 1982, however, shows that this year's tasks are unprecedented in recent years.

This obliges us to regard the plan tasks as tasks for every day, and to systematically search for all possible ways of achieving them and to make full use of them. At the same time, the present favorable numbers of domestic animals are promising and should be taken into account.

10501
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CZECHOSLOVAKIA

PROBLEMS IN SWITCHING TO LOW-CAL COALS DISCUSSED

Prague HOSPODARSKE NOVINY in Czech 2 Jul 82 p 7

[Article by Eng VaclavSkrbek, Cesko-Moravska Kolben Danek, national enterprise: "Modernisation is not the Only Answer; A More Effective Utilization of Our Fuel Base is Lacking"]

> [Text] This is another in the series of articles on heat and power generation performance. Previous articles have been published in Nos. 13, 15, 17, 19, 22, and 24 of HOSPIDARSKE NOVINY in 1982.

Over decades, the generation of energy has had a significant effect of fuel consumption, the numbers of operating personnel and consumption of supplementary products and materials, in addition to effecting our transportation system and some other areas. It has had an impact on the environment and ecology to the extent that the consequences will continue to be borne by future generations.

Undesirable Development

In the area of industrial energy generation, sources of central heat and heating plants installation, the key to a rational, long range solution is the formulation and adherence to a long range concept of fuel base development in CSSR particularly with respect to solid fuels. This requirement is appropriate because the construction of universal equipment for utilization of fuels with a broad range of qualitative features for energy generation is technically complicated and, from the viewpoint of consumption, fuel intensive and costly. The subsequent modernization of such technology is sometimes totally impossible because changes in the fuel base cannot be made and, in other instances, it is connected with excessive coats and operational and installation problems. Moreover, heating plant technology has a life span of several decades so that improperly designed equipment carries with it years of uneconomical operations and wasted labor.

The formulation and especially the adherence to a long range plans of fuel base development and the related development of heating plant technology in CSSR has traditionally been fraught with serious shortcomings. Some of these are evident from a simple chronological overview:

--The first half of the sixties was marked by the need for new technology and heating plants modernization for practically all types of fuel then available;

--The second half of the sixties brought about a wide application of fuel oils in the heating plants;

--The first half of the seventies emphasized the importance of the environment, even to point of using industrial and urban waste for energy generation, and saw a significant expansion of the use of natural gas;

--The second half of the seventies has been characterized by a spread in the use of the low calorie brown coal;

--The first half of the eighties is requiring the rapid substitution of natural gas and low calorie brown coal for heavy oil, and the utilization of nontraditional forms of fuels and energy for the operation of heating plants and other sources of heat.

In other words, every five years a fundamental change occured in the demand for the production and delivery of heating plant technology. The preparation for and implementation of these changes was connected with a significant demand on developmental, construction and design facilities and high costs in the power generation engineering. Even though technical and production tasks have been successfully mastered, this development has had its unwelcome effects, for instance, in the areas of return on investment and capacity for product standardization, design typification, the technical and commercial distribution of machinery and equipment, the utilization of foreign licenses and the like.

The fuel allowance, according to regulations applicable to construction certification in the CSSR (currently Federal Ministry of Technical and Investment Development decree No 105/1981, Laws of the CSSR), is the basis for the preparation and negotiation of the preliminary and design specifications for heating plants. A fact which has so far not been properly appreciated is that the solid fuel allowances are, in reality, quite imprecise; that is a number of new heating plants receives at its very opening of its operation different quality coal than specified in the fuel allowance. The actual operations over the years then are not consistant with those projected by the design specifications. According to the experience of the CSR State Energy Inspectorate this means, for instance, a reduction of the average output of stoking furnace boilers to 60-70 percent, and a reduction of about 10 percent in their average operating efficiency.

New Equipment

Available information usually reflect past development of the fuel bases and, on occasion, selected qualitative characteristics of the fuels. And even if studies of the past are not without interest, the fundamental requirement of producers and suppliers of machinery and power plant equipment is the initiation of a long term development of qualitative fuel characteristics; ideally, over the period of the physical life of boilers. A general outline of one or of several qualitative characteristics, as is often done, is useless because, for instance, the heat value of low calorie coal can be increased during a certain period even given an increased ratio of ash to fuel. Nevertheless, from the viewpoint of combustion, transport and emissions, such instances cause less favorable operating conditions than with the use of a lower heat value coal and a different composition of byproducts. The technical and economic justification of the above requirement is supported, for example, by the results of measurements taken by the Ceske Energeticke Zavody [Czech Electric and Power Enterprises], in 1980 at selected electric plants which determined the following deviations of actual operations, based on project specifications given average ash content: at the Tisova II power plant, +48 percent; at the Chvaletice powerplant, +36 percent; at the Melnik II powerplant, +36 percent; at the Tusimice II powerplant, +23 percent; at the Detmarovice powerplant, +18 percent; at the Pocerady II powerplant, +15 percent, etc.

A fundamental solution to this problem calls for the formulation and implementation of a comprehensive quality control system for brown and bituminous coal, recognizing that in the area of low calorie brown coal this is an exceptionally urgent task.

The dynamics and result of the changes in the CSSR energy bases in recent years are not without interest. Resolution of the Presidium of the CSSR Government No 145, dated 17 May 1974, and entitled Concerning the Resolution of the Basic Problems of the CSSR Fuel and Energy Statilization to 1980, has been a document of fundamental significance. So far, newly constructed and modernized oil and natural gas heating plants have occupied a notable share of the energy base. However, at the time of the publication of the above Resolution of the CSSR Government, hardly anyone was aware of its consequences for the construction and operation of energy generating equipment. Perhaps the simplest concept was that of savings in operating costs in utilization of low calorie brown coal instead of heating oil resulting from the price difference between these two types of fuels.

It has been frequently suggested that low calorie brown coal could be burned in existing stoking and slag furnace boilers. Actually, this is quite a complicated problem, because coal with such unfavorable and, in particular, such variable qualitative characteristics is not being used over extended periods of time, anywhere in the world, under existing environmental or ecological constraints. For this reason, solving this problem through foreign licenses has not been practical. A solution to the problem of the use of low calorie brown coal for energy generation thus depends on domestic developments both in the area of furnaces and technological support for transportation, processing and preparation of the solid waste fuel for combustion and the transportation of solid refuse after combustion.

According to combustion and operational testing, which has taken place in both the CSSR and the GDR, it is economically not feasible to burn and transport low calorie brown coal over a long period of time without extensive modifications to existing equipment. Therefore, the development of new type furnaces, which is under way, is expected to have them operational before the end of the Seventh Five Year Plan.

Despite relatively extensive publicity, there is still a surprisingly small number of actual prospects interested in this new equipment. Clearly, this is because of the prices which are higher than for the standard technology. The less favorable price is a result of the greater weight of the boiler systems using the new type combustion equipment and, in many instances, the necessity of using higher quality component parts and workmanship. For instance, the weight of a steam boiler system with retractable grate and a rated capacity of 16 tons per hour is 100 percent more, and its wholesale price 154 percent greater than the extant boilers of the same capacity. Today's investment constraints, in more than one instance are proving to be the limiting factor in the construction of new heating plants. But a significant effect is also being exercised by the cautious attitude of certain investors, regarding the introduction of new technology, especially when it concerns the use of operationally unproven machinery and equipment.

A High Price to be Paid

Greater investment costs for construction, increased spare parts consumption over the long term, greater numbers of operating employees, greater operational efficiency of boilers, less favorable internal electrical energy consumption, greater operational costs, greater demands on storage facilities, more complex effects on the environment and on ecology, are all part of a price to be paid for the use of low calorie brown coal for energy generation. An extreme deterioration of conditions occurs in heating plants equipped with steam boiler systems with a rated capacity of under 16 tons per hour and in heating plants with hot water boilers and a rated capacity of under 11.6 megawatts. It is, therefore, desirable to provide brown coal of good quality of these operations.

The reconditioning of boiler system and the modernization of heating plants necessitated by a change in the fuel bases is rather costly and difficult to organize and to implement. Consequently, from the viewpoint of the economical utilization of low calorie brown coal for energy generation, slag furnace boilers merit special attention. Even though there are relatively few of them, they have a significant total and unit capacity, and by modifying them and the supporting technology, we can create conditions for economical burning of low calorie brown coal. The design, production and contracting aspects of these modifications may be handled within the framework of our power generation engineering industry.

The basic question in the reconditioning of boiler systems and the modernization of heating plants is the physical condition of the equipment, primarily of furnaces and transportation equipment. The conversion of heating plants from burning heating oils and natural gas to low calorie or other types of coal is usually quite impossible from the viewpoint of the demands made on the technological and structural parts of the heating plants.

The effectiveness and potential of reconditiong stoking-furnace boilers and the modernization of these heating plants must be evaluated, both technically and economically, on an individual basis. Given that there are about 5,500 stoking furnace boilers in the CSR with an average capacity of 3.2 megawatts or 4.4 tons per hour and with different combustion equipment it is, for practical purposes, not feasible to consider the reconditioning of a majority of these boiler systems and their transportation equipment and to depend on obtaining thermal energy for production and communal uses in this manner. A possible alternative is the construction of central heating plants, a combined complete or partial conversion of existing heating plants to gas and a conversion of heating plants to handle the burning of multiple fuels, and the like. Usually the costs of reconditioning stoking furnace boilers and the modernization of heating plants are, in the end, greater than for construction of new energy generation complexes.

Heating plants using heavy oils may be converted relatively easily to burning natural gas or, although with considerably more difficulty and only after a careful consideration of the technical and economic interrelationships, to electric furnaces. Ceskomoravska Kolben Danek DUKLA, national enterprise, produces and supplies for these purposes electric resistance furnaces with a capacity of 100-630 kilowatts, as well as other machinery and equipment. This solution satisfies even the most demanding environmental and ecological requirements.

Slow Progress

It is possible to agree with the view that fluidized bed combustion technology is not a panacea, though this can naturally be said of every machine and every technology as far as an optimal solution from any economic viewpoint is desired. Boilers with Duklafluid combustion equipment make possible generation of thermal energy by the burning of uneconomical brown and bituminous coal with unfavorable qualitative characteristics produced in excess of demand for that type of coal which falls below the current standard fuel rating. Moreover, fluidized bed combustion technology is the only one which creates the conditions for the operationally usable desulphurization of waste gases. Its most rapid development requires broader production and supplier cooperation within the framework of the organizations of the Federal Ministry of Metallurgy and Heavy Engineering, especially in the area of machinery and equipment for the transportation and processing of combustion fuels from the concern enterprises Prvni Brnenska Strojirna [First Brno Power Generating Equipment Plant] in Brno and the Prerov Stojirny [Heavy Machine Plant] in Prerov.

A more immediate solution to the problem of low calorie coal as well as the use of other special fuels usage for energy generation requires the immediate construction of an experimental base, preferrably on the sites of skilled suppliers. Such facilities are not yet available at the requisite level of sophistication at any one Czechoslovak furnace plant. The process of testing new machinery and equipment at the job order site and in heating and central heating plant operations with their own objectives, plans, and task is a slow one even for the simplest machinery, and often is not even in accordance with the potential and interest of the investors and operators. Without creating conditions for the testing of new machinery and equipment at testing centers, it is not possible, while observing the applicable regulations concerning a technological discipline, to fulfill the social requirement for the rapid and broad introduction of new machinery and equipment into our operations.

The services provided by the producers and suppliers of energy generating machinery and equipment would be to the advantage of many heating plant users and the national economy both today and in the future. By repairing, modifying and adjusting, it is possible to achieve fuel savings of about 10 percent, according to the experiences gained by the CSR State Energy Inspectorate. The plan breakdown for the power plant engineering industry and the applicable system of price regulations, however, do not allow for the possibility of broader development of service capabilities in these organizations, because these services would work to the detriment of the plan of distributed production tasks and would have an undesirable effect on the economic section of the plan.

In summary, the time which has passed since the publication of Resolution No 145 of the Presidium of the CSSR Government, dated 17 May 1974, and entitled on the Resolution of the Basic Problems of the CSSR Fuel and Energy Balance to 1980, has not been wasted. Even from this concise information, it is clear that much has been accomplished, but that not a few difficult tasks still await our machinists and our energy generating industry. The improved utilization of fuel bases founded on a long term view and, mainly, adherence to this outlook, represents a significant source of underutilized capacity in our national economy.

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POLITBURO SETS GUIDELINES FOR URBAN CONSTRUCTION, ARCHITECTURE

West German Commentary

Bonn INFORMATIONEN in German No 12, Jun 82 pp 10-12

['Background' report by FRG Ministry for Innter-German Ralations: "Party and State Leadership in the GDR Decide on Guidelines for Urban Construction and Architecture." A translation of the official text of the SED Politburo decision, discussed below, follows this commentary]

> [Text] The SED Politburo and the GDR Council of Ministers have jointly issued "Principles for the Socialist Development of Urban Construction and Architecture in the GDR." The SED organ NEUES DEUTSCHLAND published them on 29 May 1982. The principles rate as guidelines for "urban and architectural construction in the 1980's." The point is made in these principles that the "socialist development of urban and architectural construction" essentially depends on the "implementation of the housing construction program." That program envisages solving the housing problem in the GDR by 1990 by building, rebuilding and expanding between 2.8 and 3 million apartments. Furthermore, the party and government decision keeps reiterating that saving material and energy is imperative in all construction in the GDR.

The preface to the eight points of principle states that it is "mainly" important "to achieve urban and architectural construction that attests to the superiority of socialism and brings benefits to people and honor to its creators."

The preface furthermore outlines the preeminence of social aspects in urban construction which, moreover, should have to conform to the emotional preference of the GDR inhabitants and to "national components." Literally it says: "In the future also the development of urban construction and architecture in our society will be governed by social objectives. That absolutely implies achieving a favorable cost/benefit ratio for each planned construction project. With it, the kind of solid urban and architectural construction design is indispensable which, through the emotional effect it has on the citizens in our republic, fosters the joy of living, the feeling for beauty, public activity and performance dedication and helps deepen the citizens' bonds with their socialist homeland. Looked at it that way, urban construction and architecture are a component of our thriving socialist national culture."

The first point of the principles mainly deals with the GDR housing construction program that lent "urban and communal development a stable and long-range foundation" and the implementation of which assumed "qualitatively new traits in the 1980's." The "intensive development of the cities, combined with an effective use and maintenance of extant construction units" was becoming increasingly prominent, through which construction in the inner city was increasing as was the "proportion of reconstruction and modernization projects." At the same time "new housing construction in the kreis and medium-size and smaller towns" would be increasing and the "desire to improve housing conditions in the villages continued to develop with purpose."

"Maintaining Agricultural Acreages"

It was part of the "basic principle of socialist urban construction that the city has to be designed according to plan as a whole with culture and economy." Furthermore, "the cities' spread has to be sensibly confined," which would much help "preserve agricultural acreage and recreational areas." These demands on city planners and architects, contained in point 2 of the principles, are complemented by the remark that "increasingly greater socioeconomic and cultural-political importance" attached to a "harmonious combination of newly arising structures with valuable extant buildings."

That, along with a "loving care for city centers with their ensembles and historic buildings," included a "well functioning infrastructure" and an increased "efficiency and attractiveness of public communter transporation." The authors of the principles are putting it this way: "Urban development oriented to the requirements of intensification is an important prerequisite for saving energy for heating, steet lighting and transporation."

The third point of the principles deals with the "selection of building sites," which "significantly affects the cost/benefit ratio." This section generally pleads for using intra-city building sites because they offered "often considerable advantages over peripheral sites." Thereby one could in many cases do without new installations and municipal transportation networks, energy and heating supply systems, irrigation and drainage. It also was especially important in deciding on building sites "to cut down the travel time between one's residence and place of work."

"Projected Building Sites Are Extremely Valuable"

To be sure, for "futher noticeably improving housing conditions," it would be necessary also to build new apartment house complexes on the periphery in the years ahead. Doing so, the GDR city planners always ought to be mindful of this: "Everywhere one should remember that projected building sites are extremely valuable. Handling them sparingly and prudently is a precept of economic reason."

Detailed suggestions for providing "good residential areas" are contained in point 4, which states that such areas should, among other things, excel "by functional utility while using constructional and given landscape features." Presumably, the "best results in urban construction" in GDR cities had demonstrated "that engaging urban construction areas can be created mainly by an interesting variation between streets and squares, cohesive structures and parks and attractive color design."

"The extant trees and parks, water surfaces and terrain features are to be used prudently for creating a beautiful, hygienic and health-promoting residential environment." That also applied to the "use of earth excavated on sites" whereby also the expenditures for excavating and hauling loads of dirt could be significantly reduced.

High-rise Buildings Only in Exceptional Cases

As to the height of buildings, they recommend "preferably the use of multistory apartment buildings" which had been found "especially beneficial for people's comfort and for reduced construction and projection expenditures." Such advantages appear no longer to apply to "buildings with very many floors or high-rise buildings" which had partly been preferred in the last couple of years. In the future, they are going to be "the exception even in big cities."

Explicitly confirmed is in point 4 that the "construction of private homes" is to remain a regular component of "complex housing construction."

However, for the sake of "better building site utilization" and for reasons of "saving material and energy," the recommendation now is to orient private home construction in the future more to "constructing row houses."

The point of the fifth principle deals with the "designing of places of work," by which "important prerequisites are to be laid for high production efficiency and quality under favorable working conditions." There they demand "a rapid application of science data in production and realizing projects within the briefest time frames and through low construction expenditures," which controlled "to a large measure the benefit of investments."

Furthermore, one had clearly found that "the reconstruction of extant industrial installations or expansion measures for existing sites facilitated significant reductions in the construction part of investments and saved much time." Therefore one should rather build new structures on new terrain.

The last three points in the catalogue of principles mainly are devoted to the work of the architects in urban and communal construction. Point 6 shows the title "Fine artistic construction quality calls for creativeness and mastery over the inevitabilities of architectural design." Artistic and aesthetic mastery over construction, it is said, was "as much an objective necessity of social progress as an efficient economy."

"Careful Preservation of What There Is"

Architects in the GDR work almost exclusively in kreis, city and bezirk planning and project planning bureaus and in the construction enterprises and combines. It is said of them that they had "the obligation to preserve carefully what there is and, simultaneously, make high demands on the quality of what is new and what increasingly shapes the construction environment."

The seventh point states that the "quality of urban construction and architecture" greatly "depends on the development of effective construction solutions and designs and efficient construction procedures." To that end, e.g., it was "indispensable further to perfect the large prefabricated slab construction method" that prevails in the GDR and to "develop and introduce other efficient construction methods supplementing it suitably."

The eighth and last point finally talks about the "social appreciation" the work of urban planners and architects enjoys in the GDR, which acted as a spur to "their energy." Thereby they came to realize more profoundly "that they have to assume a great responsibility for making the most efficient use of a considerable portion of the national income and, hence, for successfully carrying on the unity of economic and social policy."

Text of SED Politburo Decision

East Berlin NEUES DEUTSCHLAND in German 29-30 May 82 pp 9-10

[Official text of the "Decision of the SED Central Committee Politburo and the GDR Council of Ministers: Principles for the Socialist Development of Urban Construction and Architecture in the German Democratic Republic"]

[Text] Socialism, for the first time in history, has provided the development of urban construction and architecture with the prospect to serve the well-being of the people, unhampered by antagonistic class interests. This humanistic concern is increasingly being implemented in the GDR, the first workers and farmers state on German soil. It is part and parcel of the program target to shape with success the developed socialist society, under SED leadership and in confident alliance with all classes and strata of the people, and so to create fundamental prerequisites for the gradual transition to communism.

In this sense, the guideline decisions of the 10th SED Congress provide another clear and inspiring orientation for construction, and thus for architectural work, in our country. It relies on the assurance that our socialist state, in its unbreakable fraternal alliance with the Soviet Union and the other countries in the socialist community, does everything to safeguard peace as the fateful problem of our era. Urban planning and architecture in the 1980's is also marked by the need to carry on the tried and tested course of the main task in its unity of economic and social policy even under the changed external conditions, resolutely on the basis of the economic strategy that has been issued.

This policy, aimed at the well-being of the people and the happiness of men, lends mighty new impulses to the creative work of the architects and urban planners and all involved in construction. Through their achievements they significantly contribute to the formation of a socialist way of life, an ever better satisfaction of the people's material and cultural needs, and the strengthening of our country's economic capacity.

Based on the decisions of the working class party, particularly since the Eighth SED Congress, a widely apparent upswing in building activity has taken place in our country that led to the thus far most successful period of urban and architectural construction. Especially the implementation of the long-range housing construction program, the centerpiece of our social policy, has enriched the picture of our towns and communities and fostered the socialist way of life of their inhabitants. That is most impressively seen in the design of the capital of our socialist country, Berlin.

The development of urban construction and architecture in our society will continue to be governed primarily by social objectives. That definitely includes that each planned construction project must satisfy the most favorable cost/benefit ratio. For that, a solid urban construction and architectural design is indispensable which, through the emotional effect on the citizens in our country, fosters the joy of living, the feeling for beauty, public activity and performance dedication and helps deepen the citizens' bonds with their socialist homeland. Looked at it that way, urban construction and architecture are a component of our thriving socialist national culture. When our architecture ever more persuasively expresses the advantages of socialism, it will also gain increasing weight in the international class conflict.

As in the advances already made, the working class party's assured indoctrination of the architects and urban planners will stand up well also in the future, so as to further mold their political commitment, creativeness and technical skills on behalf of the construction jobs to be undertaken. Important in this connection is the work of the Architects Association and the resolute support given to architectural work by the people's representations and their state organs.

Practice has made unequivocally clear that it decisively helps the search for efficient construction of a solid urban planning and architectural quality, as much as further advances in the industrialization of construction, if insightful and skilled management keeps using ever more efficiently the advantages of directly combining research, project planning and production in the construction combines. That implies providing well organized socialist cooperative work, beginning with the assigning of contracts, among urban planners, architects, visual artists, landscape artists and color designers, so that artistic building design flourishes.

The socialist development of urban construction and architecture is in our society the outcome of the work of a large collective. Each has his place, his special job and his responsibility: the public contractor, the urban planner and the architect, the construction workers on the construction sites and in prefabrication plants, as much as the working people in ancillary industries. They all are expected to contribute to a good architectural quality of building by all they know and can do.

All in all, it is mainly important to achieve urban and architectural construction that attests to the superiority of socialism and brings benefits to people and honor to its creators. That is to be served by the following principles:

1. The Socialist Development of Urban Construction and Architecture Is Governed Mainly by the Implementation of the Housing Construction Program

Building in our republic greatly affects the people's material and intellectual-cultural standard of living and reaches far into the communist future. That applies in particular to the implementation of the housing construction program, by which a fundamental goal of the revolutionary workers movement, resolving the housing problem as a social program, is being implemented step by step in our republic till 1990.

The housing construction problem is intimately tied up with such penetrating social processes as the gradual rapprochement among classes and strata and therefore conforms with fundamental inevitabilities in the continued shaping of the developed socialist society. By creating good housing conditions for all and providing the residential areas with communal facilities, essential prerequisites are created for happy family life, the women's equitable participation in public life, youth education and training, and care for senior and disabled citizens.

The housing construction program provides urban and communal development with a stable and long-term foundation. Its implementation assumes qualitatively new features in the 1980's. Intensive urban development, combined with the most efficient use and maintenance of extant structures, is becoming more and more prominent. That increases construction in the inner cities. The proportion of reconstruction and modernization projects is increasing. At the same time, new housing construction in the kreis and medium-size and smaller towns will be increasing, and the desire to improve housing conditions in the villages will be developing with purpose.

Everywhere it is a matter of making full use of the opportunities provided by combining new construction and modernization with maintaining extant construction units for the sake of high social effectiveness in construction, reducing expenditures, and an interesting and diversified urban construction and architectural design. It is and remains crucial to create with the funds of the plan good housing conditions for as many citizens as possible, especially for working families, large families and young couples. Urban construction planning and project planning should therefore focus more consistently on strictly abiding by governmental allocation standards in working out the economically most favorable solutions for complex housing construction. Together with it, we must also purposefully enhance the functionality, aesthetic design and social effectiveness of our towns and residential areas.

So housing construction takes an active influence on overcoming step by step the unsatisfactory housing conditions capitalism left behind and shaping ever more clearly the typically socialist features of our towns. Most impressively that is meant to come into evidence also in the further development of our capital Berlin as the political, economic and intellectual-cultural center of the GDR.

From what has been achieved and from the tasks for the future it becomes apparent that the implementation of our long-term housing construction program will make possible more than ever further improving and renovating our towns and communities in line with the fundamental goals of socialism. That also gives us realistic social conditions for achieving the ideas of progressive architects and city planners. We must make good use of this chance.

2. Designing the City According to Plan as a Whole With Culture and Economy Is a Basic Principle of Socialist Urban Construction

In the GDR, cities are developed according to plan and in accordance with the requirements for overall social development, especially also with regard to the location of the productive forces. This is a great advantage of socialism of which increasingly better use has to be made in determining a harmonious development and close linkage among all important municipal functions predictively and implementing them step by step as our economic possibilities allow. That includes in particular creating good conditions for working and housing, education, culture and recreation. It is an important concern in socialist urban construction to see to it that the most efficient solution of present construction tasks always coincides with looking ahead at the city as a whole.

In the years ahead, urban construction will increasingly be marked by sensibly confining the spread of the city areas, due to the intensively expanded reproduction in all fields, which also includes the basic assets in construction. That greatly helps preserve agricultural acreage and recreational areas and orient construction projects planned more and more to a high social and design quality for the historically grown centers of cities and other areas.

That gives the harmonious combination of newly arising structures with valuable extant buildings increasingly greater socioeconomic and cultural-political importance. A loving care for city centers with their ensembles and historic buildings and the streets and squares with which the citizens are familiar deserves special attention in this.

The well-being of the inhabitants, the ensuring of hygienic regulations, and the development of economic activity in the city crucially depend on a well functioning infrastructure. That presupposes intensively using, reconstructing and, if need be, extending municipal utility installations and networks and increasing the efficiency and attractiveness of public communter transportation. Urban development oriented to the requirements of intensification is an important prerequisite for saving energy for heating, street lighting and transportation.

The specifics of the city and its functions within a populated area call for coordinated regional development. That takes account of the manifold relations between the city and the landscape surrounding it and is meant to serve also the requirements of socialist environmental culture.

It is a priority task for state management activity, in proceeding from the economic strategy for the 1980's, further to improve the level of urban construction planning in conformity with long-range national economic planning, the territorial planning and the planning for transportation, and to reach an adequate lead time in these areas.

Skillful work with general construction and transportation plans has proven itself here, starting in the capital and in the bezirk cities and other large towns. This should more be aimed at creating sound bases for decisions which during the preparation and implementation of planned construction measures can have important economic effects and improve the functional and design qualities of the cities. In smaller towns and communities more simplified work with local design conceptions is recommended in this regard.

General construction and transportation plans and local design conceptions are important tools for state management for determining the most favorable solutions for construction measures under five-year plans and annual national economic plans even at the time those plans are drawn up.

Urban construction in socialism must mainly serve the well-being of the people. So it is an important task for the people's representations and the councils responsibly to assume their role as consignors for the social, economic and design development of the towns and communities. Bezirk, kreis and municipal architects and the collectives in the urban construction bureaus have to make a significant contribution to it.

3. The Selection of Building Sites Significantly Affects the Cost/Benefit Ratio

A properly timed selection and determination of the most favorable construction sites for residential areas, production installations and public facilities greatly affect the economic efficiency and social effectiveness of construction and investment activity and also the urban architectural construction quality of what is built. All results and experiences thus far prove how important it is to take account of this requirement even while the bids come in for space utilization in the general construction plans or local design conceptions.

Often it is a much greater advantage to build within a city than on its periphery. Then one can in many cases do without new installations and municipal transportation networks, energy and heating supply systems, irrigation and drainage.

For continued noticeable improvements in housing conditions, it will doubtless also be important in the years ahead to increase housing by building new housing complexes, according to plan, at the outskirts of cities. That is true especially of our capital Berlin and other centers of our economic development. This also creates an important premise for carrying out housing construction tasks in the inner city by higher criteria and for addressing more and more an intensive urban development in implementing the housing construction program in the 1980's. This gives the architects and all involved the ambitious task to cope through creative cooperation with the new technical, economic and building design problems in downtown construction.

When choosing sites for further new housing, one should consider building inside the city or right next to existing residential areas. That helps improve the city's functionality and enriches the city image. When new neighborhoods are integrated in the city core, new residents benefit from the very beginning from the community facilities located there. When deciding on sites one should also keep in mind the importance of cutting down the travel time between the residence and the place of work.

Everywhere one should remember that projected building sites are extremely valuable. Handling them sparingly and prudently is a precept of economic reason. That also applies to absolutely having to keep road alinements and other spots vacant for the benefit of future construction. Looked at it that way, building gaps or unsuitably used areas often are important reserves. An efficient use of building sites, not last, helps keep down as much as possible the running expenditures for maintaining and operating installations and infrastructure networks.

In the process of selecting and deciding on building sites, important efficiency reserves can be tapped. There it is of benefit if the bezirk or kreis planning commissions ensure from the outset coordinated cooperation with the construction bureaus, the energy and water management organs, post and telecommunications and public transportation.

4. Good Residential Areas Excel in Interesting Urban Construction and Architectural Design and Functional Utility While Using Constructional and Given Landscape Features

Through the implementation of the housing construction program, many new residential areas have been created in our republic; existing ones are being preserved or modernized. The scope of housing construction and the need to hold it more strongly to what there already is more and more determine the functional organization and the urban construction and space design of the residential areas themselves.

The principal measuring rod for the quality of residential areas is how by planned means, in the sense of developing the socialist way of life, the most favorable preconditions are created for a fine housing milieu and a diversified and interesting public life.

New residential areas should harmoniously fit, and enrich, the existing urban structure or its further development according to plan. Its appearance depends especially on the mass construction and composition of urban areas and structures and a vivid relationship with the city and its landscape. This just as much contributes to lending each residential area its specific design and look as does the inclusion of extant structures and natural conditions.

The best experiences in urban construction in many cities in our republic indicate that significant urban construction areas can be created mainly by an interesting variation between strees and squares, cohesive structures and parks, and attractive color design. Public facilities like playgrounds and facilities for children, schools and youth clubs, commercial buildings and restaurants, or social and medical care facilities are of special importance to the conviviality of people in their residential area. A considerate design and location of them also says much about the urban and architectural construction quality of an entire residential area.

Open spaces offering fine opportunities to children to play without risk and for sports and recreation to inhabitants in all age-groups are becoming increasingly important for a beautiful, hygienic and health-promoting residential environment. Prudent use to be made of that with the extant trees and parks, water surfaces and terrain features. That also applies to the use of earth excavated on sites. Thereby also can the expenditures for excavating and hauling loads of dirt be significantly reduced. Even during urban construction planning for new residential areas one must see to it that a functional completion of complete residential areas is ensured so that one precludes as much as possible any mutual interference between building and living. Below-surface and utility line construction therefore has to be carried out way ahead of time.

To build as many good apartments as possible with the funds available calls for thorough, complex preparations and the use of efficient construction methods and building designs while abiding by state allocation standards and contributing to a high urban and architectural construction quality for buildings and aggregates. Preferably the use of multi-story apartment buildings is found especially beneficial for people's comfort and for reduced construction and projection expenditures. Buildings with very many floors or high-rise buildings should be the exception, even in big cities. In closing building gaps and in smaller towns and in the countryside, one should take account of the buildings in place when rules are made on how tall buildings may be.

The construction of private homes is and remains a regular component of complex housing construction. For the sake of better building site utilization and for reasons of saving material and energy, it is recommended to orient more to a cohesive urban construction effect and construct more row houses.

Cultivated living areas demand great concern for matters the people experience personally every day. That includes the building's entry hall, playgrounds for the children close-by, a place the rest near the house, the pedestrian walkways and the stops for public transportation. Here architects and designers should develop useful and beautiful design elements for industrial mass production. More and more citizens love to design and cultivate the areas around their buildings, especially lawns and gardens. That has to be taken into account even during the planning and project planning for residential areas.

Making residential areas suit people's needs is one of the intellectually most ambitious tasks assigned to the architects. Therefore it is a good idea to assign highly skilled architects with artistic gifts over the whole project, directing the whole process responsibly from the conception to the completion.

5. With the Design of Places of Work Important Prerequisites are to Be Laid for High Production Efficiency and Quality Under Favorable Working Conditions

The economic strategy for the 1980's applies new measuring rods to all investment projects in the economy, and thus also to the rationalization and design of places of work. The focal point of the work of architects in industrial construction lies in investments acting as an engine of scientific-technical progress, rapidly produce the highest production efficiency and quality and also help improve working conditions. Rapidly applying scientific-technical data in production and realizing projects within the briefest time frames and through lowest expenditures controls to a large measure the benefits of investments.

It has clearly been found that the reconstruction of extant industrial installations or expansion measures for existing sites facilitate significant reductions in the construction part of investments and save much time. At the same time, the latest technologies for refining raw material, energy production and material conversion, the development of microelectronics and robot technology, and the reduction of energy consumption make higher demands on the construction and design of industrial plants.

In line with the fundamental importance productive activity has for forming socialist personalities and their public relations, the architects and urban planners should help create a working environment that encourages the readiness for achievement. High productivity and order and safety on the job are affected, not by a mean degree, by ergonomic and aesthetic design and a functionally suitable construction design of industrial plants in accordance with technological requirements and the data of scientific labor organization.

All that by and large enhances the working people's contentment on the job and strengthens their ties with their socialist enterprise.

The industrial architects, closely working together with the consignors, scientists, technicians, designers and painters, find a broad field here for fruitful activity. High investment efficiency and sophisticated industrial architectural quality should alway go hand in hand there.

Important economic effects are mainly to be obtained in the early phases of investment preparation through favorable site selection and efficient urban planning integration, a preferential use and reconstruction of extant structures and the minimizing of cubic measures and areas. The yardstick for an optimum project solution are the reduction of the one-time expenditures and a high economy in using and maintaining structures and installations. Tapping all possibilities for energy-saving construction, heat recycling and using waste heat even for heating adjoining structures deserve increasing attention.

For solving these tasks, the industrial planning groups of construction and assembly combines have proven excellent partners of industry. For the extremely useful work of such collectives one should find more experienced architects with special qualifications for conceptual work, studies and comparing alternatives.

Industry and science critically determine the development and shape of cities, much as the socialist mode of production in the countryside shapes the new look of villages. Even while projecting urban construction planning, alternatives for solutions have to be indicated to bring planned construction projects for industry and science to realization with the highest economic efficiency. That concerns in particular the intensive development of available plants and a cooperative utilization of technical supply installations and social welfare facilities in the sense of territorial rationalization all the way to reducing the costs for setting up construction facilities. The same applies to the maintenance, sensible utilization and reconstruction of workshops in residential areas, as long as they do not interfere with anything, which enrich the life in the cities and offer many advantages to the working people, especially to the women who work there.

Altogether it is a matter of tying up more and more the places of work, functionally and in terms of design, with the overall development of the city and the territory. This way, teritorial and urban planners and architects can make a significant contribution to strengthening our republic's economic efficiency and to the development of the city as a whole.

6. Fine Artistic Construction Quality Calls for Creativeness and Mastery over the Inevitabilities of Architectural Design

The focal point of urban and architectural construction is giving ever improving satisfaction to men's material and intellectual-cultural needs. Artistic and aesthetic mastery over construction is as much an objective necessity of social progress as an efficient economy.

To the citizens, the towns and communities in which they live are more than just a place of residence and place of work. They are their immediate home as part of their socialist fatherland to which they feel most closely tied. From that arises for all who bear responsibility for our country's architectural countenance the obligation to preserve carefully what there is and, simultaneously, make high demands on the quality of what is new and what increasingly shapes the construction environment.

The GDR's urban planners and architects are committed in their work to our progressive humanistic cultural legacy, to the work of the great German master builders who contributed great things to world culture. Many of our cities owe their beauty and diversified panorama to the harmonious combination of the new with the old. This way, the cultural values generated throughout history are preserved, new progressive features in the structure and shape of the city are formed, and ever more favorable conditions are created for the development of the socialist way of life.

The industrialization of construction with its new technologies and the application of modern building materials is and remains an important condition for satisfying faster and more efficiently the demands society makes on construction. With it, modern building techniques offer the architects new design opportunities. Aesthetically coping with industrial construction and its technological conditions, gaining aesthetic mastery over it, means more than ever a crucial challenge to the living generation of architects and all involved in construction besides.

The uniqueness and expressive strength of urban and architectural construction solutions crucially depend on the composition and proportion of urban areas. The harmony among the various elements in the design and their effective interaction are essential. That necessitates special attention to such questions as the plasticity of structures, the differentiation of stories, the use of various materials and colors, the control over architectural detail and the placing of construction-related works of the visual arts.

There is an intimate interaction between the external and internal design in buildings. A cultured, solid and suitable interior architecture and room decor are essential for people to feel comfortable. Architectural work therefore should pay appropriate attention to these matters. The more cultured way of living to which the housing construction program aspires requires diversified supplies, in tune with one another, of suitable and nicely designed furniture, wall paper, tapestry and other accessories that will give the citizens the opportunity for tasteful living. Skilled decorator advice can make an important contribution to that. In communal facilities and other public structures one should always seek a well balanced design and decor of the rooms, the outlay for which should always be commensurate with the function of the buildings and combine beauty and suitability with permanence.

A well timed and permanent promotion of cooperative efforts among architects, interior designers, landscape artists, painters and design engineers deserves the greatest attention for making a complete and sensible use of the variety of artistic means in designing composites, structures and rooms that have inspiring and pleasant effects on men. Such cooperation should start even while urban construction conceptions are drawn up, in design seminars and competitions, so that the best ideas come to the fore. Also on urban design advisory councils, architects, visual artists and other creators of culture can do a lot of good through constructive cooperative efforts.

Working out the inevitabilities of architectural design in their interaction with social progress is one of the priority tasks of socialist architectural theory. Conveying sound insights, analyzing contemporary architectural work and appropriating the legacy of artistic construction from the standpoint of historical materialism is gaining increasing importance for the training and advanced training of the urban planners and architects, as far as their sound scientific approach to the practical tasks to be dealt with is concerned.

7. The Development of Efficient Construction Solutions and Designs and Efficient Construction Methods Greatly Determine the Quality of Urban Construction and Architecture

The crucial task of the 1980's is to improve the architectural and functional quality of project solutions, expand the supply of products in construction in conformity with changing construction tasks and construction site conditions, and make much greater progress in the preservation and modernization of extant structures. This development also has to be connected, for the sake of strictly abiding by state allocation standards, with the rationalization of construction processes and the implementation of a high materials and energy economy. Within the scope of making the reproduction process most efficient, the construction combines, from R&D and project planning all the way to the end products proper in quality, bear a great responsibility for it.

We always find confirmed again: Good architecture and high-grade building can be achieved only in places where the whole collective of a combine, beginning with the managers, faces such tasks in a committed and open-minded manner.

The course we have been on, to use the efficient production base we have for industrial construction more effectively still for implementing the planned construction tasks, should be purposefully continued. For that, it is indispensable further to perfect the large prefabricated slab construction method to conform with newly arising concerns for its use, especially in inner city construction. Along with it, we have to develop and introduce other efficient construction methods supplementing it suitably. Here the application of favorable energy-saving solutions for frames and construction units and appurtenances is becoming socially ever more valuable. And when products are being developed, along with the one-time expense, one must pay much more attention to the running costs for use and maintenance.

Particular attention is warranted for variable project solutions which, on the basis of uniform basic designs with supplementary elements, and through designing segments that can be added or taken off, suit a variety of demands put on the function, suitability and form of buildings. That mainly means using the ground efficiently and applies to efficient construction in the inner city, on small locations, especially in filling gaps between existing structures, or on slopes, or to the use of basements of apartment buildings as communal facilities. Whatever is efficient in the mass production of elements should be standardized. Buildings should be put to variable use.

Preparing good blueprints greatly improves the quality of dwelling units. Here one should pay more attention to an improved adaptability to future requirements and create specific types of apartments for senior and disabled citizens.

To treat the maintenance and modernization of existing buildings as equivalent in rank with new construction is highly important for the convenience of the citizens, the upkeep of the city image and, not last, for economic reasons. The main point here is to keep the roofs and facades of buildings in good repair, ensure well functioning heating systems and dehumidifiers and improve the health-related aspects and electrical wiring in apartments. Greater advances in that direction have to be made, especially in urban apartment buildings with several floors, by applying the latest technologies. Most suitable here is a cautious approach to the repair of facades that would preserve the familiar look of streets and squares and enhance their value through renovation.

A creative and responsible work of the urban planners and architects in our republic for shaping an expressive construction environment will satisfy the needs of the people in socialism. And that absolutely calls for high-grade construction in the comprehensive sense, beginning with urban planning, projection and construction planning, to a solid mode of construction work and the most suitable use of materials in accordance with the recognized construction rules, all the way to a careful preservation and maintenance of the constructed values. And that means, of course, that the future socialist development of urban construction and architecture in our country depends on the joint efforts of the construction engineers and all who are involved in construction.

8. The GDR Architects Responsibly Face the Demands and Tasks of the 1980's

The GDR urban planners and architects are ready to make their necessarily greater contribution to the most efficient solution of the construction tasks the 10th SED Congress has assigned to them. The public appreciation for their work and the trust the working class party has placed in them act as a spur to their energy. Thus they come to realize more profoundly that they have to assume a great responsibility for making the most efficient use of a considerable portion of the national income and, hence, for successfully carrying on the unity of economic and social policy.

Our time needs architects who are deeply rooted in the life of our socialist society and committed, with their whole personality, to social progress. Working successfully in those terms as an architect calls for a fine education, creativeness and accomplishments in the arts. That should be combined with the ability to comprehend the various social, functional, economic and aesthetic demands society makes on both newly built and modernized buildings and complexes and to find optimum architectural solutions for them. The architect thus gains authority and respect from what he accomplishes and from how he assumes his responsibility.

It is part of successful work in the planning and project planning collectives to develop a creative atmosphere marked by a search for the most favorable cost/benefit ratio for every construction project to be handled, by surmounting difficulties that arise, and by comradely cooperation and confidence. On that should particularly be focused, under party organization leadership, the efforts of the managers in the construction combines, in the city planning bureaus and in all project planning institutions, together with the bezirk and enterprise groups of the Socialist Architects Association.

A basic concern of the Architects Association is to foster the creative process of the architects' work by contests, design seminars, studies and the comparison of alternatives and to develop further the constructive criticism of architecture and the exchange of expert opinions. One should never lose sight of that skilled architects who as chiefs of collectives come up with impressive achievements in urban construction and architecture give prominence to their personality development. In this connection it is more worthwhile than ever to propagate the best work results, draw general rules from the progressive experiences of successful project planning collectives, and improve the advanced training level of architects. All such endeavors aimed at high-grade architecture ought to be still more effectively supported by the journal ARCHITEKTUR DER DDR.

The GDR Building Academy, as the science center for construction, bears a great responsibility for providing the development of urban construction and architecture with a sound scientific orientation through substantial theoretical basic research and practically relevant research results, consultation on important projects and direct participation in important urban construction model planning. For that purpose, the most advanced insights, especially from the research cooperation with partner institutes in the Soviet Union, are to be suitably applied and conveyed.

Advancing in architectural work successfully is inseparable from solid student training in this field and from purposefully furthering the young architects in practice. The greatest care is warranted therefore in providing them with the extensive knowledge and abilities they absolutely need for their profession, challenging their skills by systematically leading them into responsible tasks, and turning them into active fighters for the cause of socialism. Academic instructors and experienced architects in the practical field should continue to devote responsible efforts, as a creditable concern, to the solution of these demanding tasks. That would ultimately also be helped by still more effectively conducting contests for students and young architects and having college and FDJ enterprise groups work together with the Architects Association.

Building for the people implies ever closer vital relations between the social consignors, the architects and the citizens. It is in conformity with the nature of socialist democracy to inform the population about contests, plans and projects in urban construction and carefully analyze and pay attention to recommendations and criticism from the population for the sake of high efficiency and quality in construction. With regard to this, the architects should support through rich initiatives the project consultations with the citizens on the commissions and task forces in the people's representations and on the National Front commissions. All that helps in providing the citizens with increasing interest in the development of urban construction and architecture, while it gives them valuable suggestions for playing an energetic part in the shaping, preservation and maintenance of their residential areas through the contest, "More Beautiful Towns and Communities--Join-in!"

Building in our country is everbody's business. Where the people has become the master builder of its future, architecture and urban construction have clear and far-reaching prospects as well. The work of the GDR architects will continue to be governed by the sentiment of the 10th SED Congress resolutions, to do everything for the well-being of the people and the safeguarding of peace.

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SMALL FARMERS ENCOURAGED TO EXPAND PRODUCTION

West German Commentary

Bonn IWE-TAGESDIENST in German No 114, 28 Jul 82 pp 1, 2

[Report from Berlin: "GDR Wants To Improve Fruit and Vegetable Supply--Market Advantages for Small Producers"]

[Text] To improve supplies in fruit, vegetables and flowers for the GDR population, the so-called small producers (small gardeners, garden owners) are being wooed more. They may of late sell their "wares" on produce markets themselves, for instance, even the smallest amounts, and charge prices up to 10 percent above retail prices in effect. Furthermore, commerce has set up many purchasing outlets which also are inclined to accept all the small gardeners have to offer. This way, "not even the smallest bunch of parsley or chives is to be lost to public supply." In Dresden, for instance, there are over 12 wholesale outlets, 184 retail outlets and the vegetable markets that transact this kind of business.

Fruit and vegetable supplies have again caused sharper criticism in the GDR for some time. Because it lacks hard currency, East Berlin, despite a poor supply situation, has experienced a drop of imports in fruit and vegetables. Between 1975 and 1980, the import of vegetables and tropical fruit dropped by 36 percent, that of fresh fruit, even by 52 percent. A rise in imports is not to be expected for the foreseeable future. Therefore all "reserves" are to be tapped for fruit and vegetable production and made "supply-effective."

Data on Membership, Production

East Berlin TRIBUENE in German 4 Jun 82 p 11

["Facts and Figures" on VKSK (Association of Small Gardeners, Settlers and Small Livestock Breeders)]

[Text] VKSK has 1,170,649 members. Of 16,591 members among them, there were, on 31 December 1981, as many as 8,985 small gardeners, 1,197 settlers, 5,390 small livestock breeders and 1,019 beekeepers.

Since the Fourth VKSK Congress, which means within the last 5 years, the number of small gardeners has risen by 133,300 and that of small gardens, by 76,414.

They take care of 685,778 small gardens and 83,298 allotment holdings.

They keep sheep (15,509 breed animals); goats (3,578 breed animals); chickens (83,384 breeders); rabbits (39,289 breeders); geese (9,005 breeders); ducks (10,215 breeders); 476,990 bees; nutria (2,542 breeders); pigeons (50,475 breeders); and exotic animals (51,632 breeders).

VKSK members and other small producers in 1981 sold above and beyond their own needs: 105,619 tons of fruit; 140,006 tons of vegetable, of which 37,213 tons were spring produce; 3,106 tons of honey; and 7,212,600 pieces of rabbit hide; 144,425 nutria skins; 49,816 pieces of mink; 1,523 tons of goose meat; 13,600 tons of rabbit meat; and 1,877.6 million eggs.

The share of VKSK members and other small producers in the state quota for 1981 was 50.7 percent for fruit; 28.8 percent for vegetables; 98 percent for bee's honey; 99.8 percent for rabbit meat; 38.6 percent for eggs; and 26.3 percent for wool.

VKSK Congress Report

East Berlin BAUERN-ECHO in German 5-6 Jun 82 pp 1, 2

[Report on Fifth VKSK Congress held 4-5 June 1982 in Karl-Marx-Stadt: "Fifth VKSK Congress--Activities of Small Gardeners, Settlers, and Small Livestock Breeders the Focus of Discussion by the 1,180 Delegates"]

[Text] The Fifth VKSK Congress opened yesterday in the Karl-Marx-Stadt city hall. The 1,180 delegates from all bezirk organizations in the republic and many domestic and foreign guests enthusiastically greeted the head of the agriculture department of the SED Central Committee, Bruno Lietz, the minister for agriculture, forestry and the foodstuffs industry, Heinz Kuhrig, and the first secretary of the Karl-Marx-Stadt Bezirk Management, Siegfried Lorenz. Among the cordially welcomed guests of the congress furthermore were the member of the presidium and party executive secretary, colleague Michael Koplanski, the chairman of the People's Chamber commission for agriculture, forestry and the foodstuffs industry, party executive department chief, colleague Wolfgang Meissner, the member of the presidium and secretariat of the National Council of the National Front of the GDR, colleague Herbert Eichhorn, and member of the party executive presidium and president of the Academy of Agricultural Science of the GDR, Erich Ruebensam.

There are also guests from fraternal socialist countries attending, among them delegations from the Bulgarian Beekeepers' Association, from the Polish Association of Small Gardeners, from the Romanian Poultry and Small Livestock Breeders Association, the president of the Hungarian Small Gardeners Association in the Patriotic People's Front, the chairman of the CSSR Association of Small Livestock Breeders, and the chairman of the central commission of the Slovak Small Gardeners Association.

The delegates cordially applauded a welcoming address from the SED Central Committee to the Fifth VKSK Congress.

In the VKSK Central Executive Committee report, Erwin Wegner, first central executive committee secretary, underscored that the 1.17 VKSK members were solidly behind the 10th SED Congress decisions and the working class party policy, aimed at the well-being of the people and at peace. The high esteem for VKSK members of all specialties was once again underscored at the 12th Peasant Congress.

A respectable contribution by the friends of the Association, a social force in the National Front of the GDR, is made especially through the "Join-in!" competition and through making foodstuffs and raw materials available to the economy.

Under the slogan, "A beautiful garden also is a productive garden," especially the small gardeners met their competition objective of producing 100 kg of fruit and vegetable per 100 square meters of garden area. The balance sheet since the fourth congress is underscored, among other things, by facts like these: 76,414 gardens were newly started, 685,778 families use a small garden in VKSK, 1,315 small garden areas became officially recognized neighborhood recreation areas. For vegetable, the average annual purchasing volume came to 126,653 tons, for rabbit meat, to 13,600 tons, and for goose meat, to 1,523 tons, and for eggs, to 1.8 billion. In 939 villages, new sections of the association were founded, and the intellectual-cultural life in the sections has been improved qualitatively.

In the afternoon, the delegates continued their discussions during which Heinz Kuhrig, minister for agriculture, forestry and the foodstuffs industry, took the floor.

Association Secretary Explains Incentives

East Berlin TRIBUENE in German 4 Jun 82 p 11

[Interview with Lothar Faeth, member of the presidium and secretary of the central executive committee of the VKSK (Association of Small Gardeners, Settlers and Small Livestock Breeders), by Herbert Bluhm and Manfred Strzeletz; date and place not given: "Delights From the Small Gardens Enjoy Great Favor Everywhere--The Fifth VKSK Congress Starts Its Discussions Today in Karl-Marx-Stadt"]

[Text] Biographical Data on Lothar Faeth: Lothar Faeth was born in 1963, grew up in Belzig and learned the machinist's trade. Later he held various FDJ functions. Between 1965 and 1971, he was head of the rural youth department under the FDJ Central Council. Soon after his studies and having earned a social science degree, he was elected to his current function in VKSK.

[Question] May it be assumed you are working a small garden yourself?

[Answer] You may. I am one of the over 60,000 small gardeners in our capital. The fine departmental collective in Koepenick and gardening mean a lot to me. I am especially interested in growing fruit, in large varieties, in my own garden, high-quality fruit, of course.

[Question] How do you become a small gardener?

[Answer] You can become a VKSK small gardener if you apply to the executive board of a small gardening branch for a small garden and for VKSK membership. It is the membership meeting that discusses and decides the admission of new members.

[Question] Does that require an examination?

[Answer] No. But applicants should be familiar with the VKSK statute, the small gardening regulations and the small gardening contract, because a small garden grants not only rights but also imposes duties. We expect small gardeners to feel responsible, beyond their fence, for all the affairs of the community and take an active part in the life of their branch.

[Question] Is it modern to be a small gardener today?

[Answer] It is more modern today in the GDR than ever. Among small gardeners we find construction workers as much as NVA officers or university professors.

[Question] Where does this far-flung interest come from?

[Answer] The demands made on the working people at work and during the day are great. Many of them look for themselves and their families for some interesting, civilized diversion. Gardening suits the bill especially. These are socialist needs conforming with working class tradition.

[Question] Thousands every year receive a small garden through official measures. Many others are on the waiting list. How long does it generally take for someone to become a proud "plantation owner"?

[Answer] This year we expect to set up, jointly with the local state organs and the people's-owned enterprises, 17,550 new small gardens. But the availability of suitable gardening areas is not unlimited. So we must mainly find unusued residual and broken lots. We still have more than 70,000 applications for small gardens. Most of the interest comes from large cities and industrial centers. But there, unfortunately, suitable acreages are especially rare. Waiting periods differ greatly from place to place. Primarily rural areas often get what they apply for. While the Karl-Marx-Stadt Bezirk has to consider 12,000 applications, in Neubrandenburg Bezirk the number is only slightly above 2,000.

[Question] By what guidelines are gardens allocated?

[Answer] Normally, first-come-fist-serve. Applicants are expected to take an active part in the life of their branch, even if they have no garden as yet. When people do a great deal for the community, the boards of the branches often decide to allocate gardens to such active members. Working and large families and workers under tough working conditions or on shift labor get a priority.

[Question] Who knows all the details about that accurately?

[Answer] Many of our kreis managements work closely together with the FDGB kreis executive committees and the plant labor union executive boards in the enterprises. There they decide on allocating gardens to members of the enterprise. Also, enterprises, as they can, lend financial, material, organizational and cultural aid to setting up and working small gardens. We regard our systematically setting up new small gardens as a piece of social policy in terms of the 10th party congress decisions.

[Question] Can one inherit a small garden?

[Answer] In principle, not. After all, a small garden is no personal property. To pass one on is something about which the branch executive board decides. When a usufructuary dies, usufruct ends if the surviving spouse at that time has no usufructuary rights. If he or she becomes a member of the Association, a new usufructuary relationship can be established. If not, the board can arrange for a preferential usufructuary contract with one of the children.

[Question] The Association also includes the settlers. What is behind that?

[Answer] Settlers differ from small gardeners in that they own a cottage or a one-family home on surrounding real estate. That kind of a garden for settlers usually is larger than a small garden, by circa 1,000 square meters. The house and the real estate are the settlers' personal property. Living on such real estate, they have an easy chance to grow fruit and vegetables and breed and keep small livestock.

[Question] How large can a small garden be?

[Answer] Normally they are between 250 and 400 square meters. A garden between 300 and 400 square meters is enough for supplying a family of 3 or 4 with fruit and vegetables. And then it offers fine chances for recreation and relaxation. And then there also are some larger gardens created through parceling. They are mainly offered to large families and members who keep small livestock.

[Question] Summer-house or bungalow--is that still the principal question in some small garden branches?

[Answer] Indeed, especially for newly established small gardens. Association specialists have developed many types of summer-houses, and also the people's-owned construction material supply offers extensive assortments of prefabricated summer-houses. Unfortunately, there are not yet enough available of the types that are most wanted, and so, waiting periods have become inevitable.

[Question] What are the mandatory sizes for them?

[Answer] At a maximum, 25 square meters of enclosed space, for large families, 30 at the most. Small garden plots, after all, are not to lead to second homes. We favor suitable and cheap recreational structures. Here also, one has to apply economic reason.

[Question] How does the Association assist new untutored gardeners in setting up their garden?

[Answer] The Association has an extensive training system. That starts with specialists counseling the branches, technical lectures, practical exercises, inspections of gardens, and advanced training courses are part of it too. The central executive committee publishes copious technical literature. Instructional notebooks and practical information are very popular. Our association paper, GARTEN UND KLEINTIERZUCHT, also provides valuable information.

[Question] And what advantages does the member get above and beyond that?

[Answer] Along with the many cultural and social events, there are of advantage, for example, the communal orders for fertilizer, seeds, leaf mold, construction materials and seedlings. For small livestock breeders and keepers we sponsor exhibitions, and the Association makes livestock feed available to them. VKSK even signs special insurance contracts for its members.

[Question] "All's well that harvests well" is a paraphrased proverb among the small gardeners. What is the objective there?

[Answer] More than 100 kilogram of fruit and vegetables per 100 square meters of garden acreage. That is a realistic goal; very many small gardeners and settlers have already reached and even surpassed that goal. Many small gardeners, entire branches in fact, have assigned far higher goals to themselves for 1982. It was the Fourth VKSK Congress which coined the motto, "A beautiful garden is a productive garden, too!"

[Question] A garden has fruit trees and bushes. Can tree nurseries sufficiently satisfy the demands on quantity and quality?

[Answer] Cultivation and commercial enterprises try as best they can to meet demands. For some cultures and varieties, that works out all right, for instance in apples. In pitted and berried fruit they do not always manage it as yet.

[Question] Would it not be appropriate to grow in small gardens mainly the kind of vegetables that are too complicated or too labor-intensive for large-scale cultivation and therefore do not get on the counter often enough?

[Answer] We use the valuable garden land mainly for growing fruit and vegetable cultures that can supplement the LPG and horticultural enterprise assortments. Mainly delicate and early produce, berried fruit, strawberries, medicinal herbs and condiments, and especially also garlic.

[Question] Can the open trade altogether cope with what the small gardeners and small livestock breeders have to offer?

[Answer[In general, they can. Yet we are not always satisfied with the purchasing organizations, especially not in rural communities.

[Question] What size is the largest livestock the small livestock breeders take care of?

[Answer] The largest are the East Fresian milk sheep, the smallest, the bees. The breeders furthermore take care of pure-bred poultry in 394 species and 1,357 colorations, rabbits, fine fur-bearing animals like bog beavers, minks, foxes and Karakul sheep, ornamental birds, exotic animals and canaries, pure-bred dogs and cats, and goats.

[Question] Dogs, cats, ornamental birds--all are beautiful to be sure. But chickens, rabbits and bees are useful to boot. Should things not be reconsidered to a certain extent among small livestock breeders as much as among the small gardeners, though?

[Answer] That has been done quite thoroughly in recent years. There is an ever stronger desire to combine beauty and performance on a high level. So those who breed pure-bred rabbits are competing for getting an average of three litters per year from a doe hare and raising at least 15 young animals. Especially much is done to breed and keep rabbits, geese, turkeys, bog beavers and sheep.

[Question[Which is the smallest or, perhaps, most peculiar branch?

[Answer] The smallest group is that of the fox or Karakul sheep breeders. In all breeding trends there also are relative rarities, such as, for instance, that of bare-necked chickens among pure-bred birds.

[Question] There is talk about financial incentives for economically important branches. How is that being handled?

[Answer] The government extensively encourages VKSK and the initiatives of its members. That includes financial incentives. For example, a bonus of M 2.50 per kilogram on top of the base price of M 6 is paid between February and July for rabbits raised for consumption. Since 1 April 1982, larger rabbits have been getting more feed. Goose meat production is also being pushed. Last year, the purchase prices for rabbit skins, fine furs and the products of bee-farming also were raised.

[Question] Does the Association also conduct championships?

[Answer] Yes, they are important performance comparisons. Exhibitions are held for that on all levels, in 1981, for instance, at "Agra," the first small livestock winners' exhibition of the GDR, the annual GDR greyhound races and the voice contests for singing canaries. There also are international comparisons for the breeders from socialist countries, "Intertau" and "Interkanin" and "Interkanaria."

[Question] Are distinctions awarded for it?

[Answer] At international exhibitions of the socialist countries, there are the "International Championships." At the GDR winners exhibit, state prizes are awarded, the "Great Award of the Central Executive Committee" and the title, "GDR Winner." At kreis and bezirk exhibits, central executive committee awards are also given.

[Question] At harvesting time one sometimes sees snapshots of enormous pumpkins and monster carrots. Are records recorded on them too, as fishermen do?

[Answer] Not quite. Yet it has already become a tradition for the small gardeners and settlers to compete at the exhibits for the best and largest crops and to be happy to exhibit rare specimens.

[Question] Which were the hits last year?

[Answer] At "IGA" in the VKSK booth there was a serpentine cucumber 123 centimeter in length and a pumpkin weighing 50 kilogram, at the Berlin small gardeners show, a giant kohlrabi weighing more than 20 kilogram.

[Question] Apart from quantities, have the small gardeners and breeders also been successful with regard to qualities?

[Answer] The crowning achievement in breeding no doubt lies in raising entirely new species or colorations. That is a lengthy and complicated matter that calls for great skill. In 1981, a new species of rabbits, the "Mecklenburg Piebald," was certified. The breeders of pure-bred birds came out with a new chicken species, "Zwerg-Gelbsperber" [Dwarfed Yellow Sparrow] and the pigeon species "Rostocker Tuemmler" [Rostock Tumbler].

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PERSONAL INCOME, SPENDING IN HUNGARY REPORTED

Budapest FIGYELO in Hungarian 12 Aug 82 p 5

[Article by FIGYELO staff reported Csaba Vertes: "How Much of What"]

> [Text] Like a household budget, on a large scale. The Central Bureau of Statistics recently published its report on household statistics that contains the most important characteristics of the population's financial situation, of its income and expenditure.

The first significant finding is that per capita real income more than doubled between 1960 and 1980, increasing at an average rate of 3.8 percent a year. Per capita total income, including income in kind, increased 2.2-fold in 20 years, and this trend--due specifically to social benefits--did not cease even in 1979-1980 when personal real income essentially was already stagnating.

(Incidentally, the average annual growth rate of per capita personal nominal income between 1960 and 1980 was 5.4 percent, while that of the consumer price level was merely 0.6 percent. In the early 1970's, nominal income rose at an average rate of 7.6 percent a year, while the consumer price level still rose by only 2.8 percent. Thus while in the 1960's rising consumer prices neutralized only one-tenth of the rise of nominal income, between 1971 and 1975 they neutralized already one-third, and approximately four-fifths in the second half of the 1970's. In 1979 and 1980, moreover, the consumer price index rose a few tenths of a percentage point faster than per capita personal nominal income.)

Equalization

In 20 years the volume of the population's personal consumption--again on a per capita basis--rose at an average annual rate of 3.5 percent and in the final outcome it doubled during the mentioned period. Essentially until 1978, the population's consumption followed the changes in the growth rate of real income, but its growth rate was slightly lower. But in the next two years---parallel with a decline of savings--the volume of personal consumption rose: by 2.2 percent in 1979 and another 0.5 percent in 1980.

Let us examine the details, and first of all how the personal spending of the basic classes and strata developed between 1960 and 1980. Even without detailed statistics it is obvious that spending on personal consumption by blue-collar workers is gradually approximating the spending of other strata. Secondly, the cooperative peasantry's consumption expenditures rose at a significantly faster rate than those of members of working class (as defined in a statistical sense); consequently, by 1980 the personal consumption expenditures of these two basic classes were about equal. Thirdly--as a result of all this--the rural population's expenditures gradually approximated the expenditures of the urban population.

Examining the structure of expenditures, we are able to identify the characteristics of two distinctly separate periods. From the beginning of the 1960's until as late as 1975, persons of work age--in every class and stratum--spent a smaller proportion of their incomes than previously on food and clothing; the proportion of expenditure on gustatory products, durable consumer goods, other industrial goods, housing construction and purchasing of real estate, and also on services, increased. Between 1976 and 1980, however, the changes in the structure of consumption slowed down or ceased.

Do We Prefer to Eat?

During this period the proportion of expenditures on food did not decline. In 1979, this proportion was even slightly higher than in 1975, despite (or perhaps as a consequence of?) much higher price increases than the previous average. Expenditures on clothing and other industrial consumer goods remained more or less unchanged. Between 1976 and 1980, the proportion of expenditures on durable consumer goods with high price tags, and on housing construction and purchases of real estate, did not increase at all. If we take into consideration the decline of the propensity to save, we may say--with considerable simplification, but still summing up the common characteristics of the essential changes--that today purchases of food and gustatory products are far more decisive than previously in the population's consumption.

But at this point it will be worthwhile to consider further details. During the investigated period--between 1960 and 1980--the proportion of the consumption of home-grown foods changed considerably. In the case of certain items (for example, flour, bread and sugar) self-sufficient consumption has become practically insignificant; in other items (milk and dairy products) such consumption has dropped considerably; but in certain other food products (lard, bacon, pork, poultry, fruit, vegetables and potatoes), the proportion of self-sufficient consumption remains unalterably high.

Incidentally, it is interesting to note that within the structure of food consumption between 1960 and 1975, in all strata but especially among the peasantry and in dual-income households, the consumption of home-grown food declined; after 1975 through 1980, however, such consumption increased only slightly among the peasantry and in dual-income households, but sharply among blue-collar workers and intellectuals.

After the July 1979 price increases, the volume of food consumption declined by 2 or 3 percent in the various strata, but the consumption of gustatory products increased.

Within total consumption, expenditures on clothing show a declining trend, and at a certain level of economic development this trend is valid also internationally. In Hungary, however, the decline of this proportion is much greater than what could be expected. The underlying reasons are: a slower growth of incomes, a rise of the price level, unsuitable supply and, last but by no means least, a change in the population's age structure.

A brief comment regarding gustatory products: between 1975 and 1980 the growth rate of their consumption volume was twice higher than that of durable consumer goods. Between 1960 and 1975, spending on durable consumer goods rose at a much faster rate than total personal spending, but in the last five years of the investigated period a relative rise of more than 1 percentage point was observed only in the case of intellectuals. The reasons--besides the less favorable development of real incomes--were again the unsatisfactory supply, the market's relative saturation in the case of certain products, and certain problems of attitude as evident from the comparison with gustatory products.

Spending on services showed the sharpest rise in peasant and dual-income households that spend the least on services; otherwise in each of the five-year periods within the investigated 20 years the growth rate of spending on services was always higher than the growth rate of total personal spending. In every social stratum, spending on motor vehicle-related services rose at the fastest rate, followed by spending on services for other durable consumer goods.

Structure of Income and Spending

Parallel with the rising amount of per capita personal income, spending by the principal categories of consumption becomes increasingly higher, in every social stratum. The relative difference between low-income and high-income households' per capita spending was the smallest in the case of food, because food accounts for 35 to 40 percent of total spending in low-income households, and for 25 to 30 percent in high-income households.

Statisticians find it surprising that the proportion of spending on gustatory products is similar in all social strata. However, in low-income households there is a high proportion of children whose consumption at least of these products is minimal. (Incidentally, the same kind of similarity of proportions can be observed also in the expenditures for clothing.)

But it is hardly surprising that spending as a function of the income situation shows wide dispersion in the case of durable consumer goods with high price tags and "other" industrial goods, and especially of services. In comparison with low-income households, the medium- and especially the high-income households spend more on everything, not only in absolute amounts but also relatively, i.e., as a proportion of their total personal spending. The differences determined by income level are the most pronounced here. For example, intellectuals with high incomes spend nearly as much on services as on food, while low-income intellectuals' spending on services is barely one-third of their food bill. Viewed from a different angle: the per capita food bill of low-income intellectuals is about 60 percent of what high-income intellectuals spend on food, but in the case of spending on services this ratio is merely 2 [sic] percent.

Ownership of durable consumer goods regarded as "basic" (radios, TV sets, washing machines and refrigerators) is relatively balanced, but there are essential qualitative differences in favor of high-income individuals. And there are great quantitative differences in the ownership of motor vehicles. It should be noted, however, that ownership of durable consumer goods is not determined by the momentary or annual income. For example, persons whose income is low at present could have acquired durable consumer goods when they were in a better financial situation (say, when they did not yet have children). But a bachelor with a relatively high income who rents a furnished room likewise is unable to buy, say, an automatic washing machine.

Aside from all this, it is obvious that the households, depending on the amount of their income, are able to satisfy their basic needs on an ever higher level; they are able to spend an ever larger share of their income on goods and services not attainable to low-income households. Basic needs account for the bulk of the low-income households' spending. The priorities in buying goods and services over and above basic needs are determined not only by what the low-income households can afford, but also by views, attitudes and the way of life.

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WORLD PRICE FLUCTUATIONS CREATE NEED FOR REGULATIONS

Budapest FIGYELO in Hungarian 29 Jul 82 p 7

[Article by Dr Mrs Ervin Fiala: "The crisis and the domestic prices"]

[Text] The competitive price system has been in operation since 1 January 1980. Since then, significant changes have ensued on the world market. While during the preparation and beginning of the price reform the management of rising raw material and energy prices have caused concern, since the second half of 1980 the following of shrinking prices of these same products has been the problem.

The price theory, the rules of the price mechanism are unambiguous, and not so much the interpretation, but rather the consequences of application cause difficulties. Price fluctuations in our national economy are unusual: until now, the price increases were typical. Neither the price board, nor the producers are as yet able to conform to the rhythm of the relatively rapid price fluctuations. And delays can—and have done so in the past 2 years--cause significant tensions. Thus we are facing new challenges in adapting practices.

The world economic recession has caused significant price decline of raw materials products. The drop in prices directly affects the domestic producers of raw materials. The export of certain raw materials is relatively large--therefore the domestic prices of these raw materials follows export prices (e.g. iron- and aluminum-smelting industries); with other products, on the other hand, the price of the product follows the import price (e.g., PVC). It is logical, that the reduction in export prices reduces income and the profits of raw material producing enterprises. And in the case of products following the import price, this effect manifests itself because of the obligatory price reduction.

The economic position of certain enterprises in commerce is worsening, because of the sustained losses, and they must add to this--as a result of the price theories--in effect income deficiencies which have resulted from domestic price reductions. This, understandably, is opposed by the enterprises involved, but occasionally--from the producer's viewpoint, it is successful (for example, in iron-smelting).

Pulling through the recession is difficult even under capitalist economic conditions, and it demands considerable sacrifices. The owners, and occasionally--in part--the government bear these sacrifices. (Social consequences of the recession fall outside the confines of this treatise.) The capitalist entrepreneur reacts to losses relatively quickly, reduces production, changes to part time operation, or lays off a portion of the workers; he looks for, and generally finds possibilities for restructuring, or minimizing losses, and in one word, survival.

In the socialist society, the enterprise affected by recession turns to the owner--the state--and asks for help. He does this, because he is used to budgetary support to help him through economic troubles, and because his independence is circumscribed. (Especially with respect to employment constraints.)

Solid Price Theories--Flexible Finances

The substance of the competitive price system introduced in 1980 is that it transmits, and allows the influence of world market prices to prevail, and through this, it not only stimulates more profitable production and better export work, but it also forces the development of sensible productive- and sales structures. If they subdue the influence of world market prices, then the very excess-stimulus, that made the introduction of the new price system justified, will not succeed. Nevertheless, a strong effort to neutralize the influence of world market prices can be observed. They want those enterprises struggling with difficulties to enjoy price-preferences.

Our price-policy theories and the price mechanism based on these regulate the enterprises' price-policies, at the same time they give directions relative to price changes. These theories, these rules must be enforced. Of course, obeying the rules does not mean, however, that rules cannot be changed. Sensible, justified changes must also be effected in price controls. However, change by giving up price theories is dangerous, because the real problems cannot surface, and because of [price] preferences they appear more profitable than they really are. This at the same time hinders the validation of world market forces. It increases the differences between world market and domestic prices. These conditions put the domestic consumers in a disadvantageous position, contrary to world market tendencies; worsen their export sales-, and respectively their profitability potential. The unjustified domestic price increases and the omission of justified prices reductions have the effect of driving up prices for the whole national economy.

The Role Of Supports

This does not mean that so-called crisis-industries should be left on their own. But the help cannot be rash, conceptionless or the kind which in practice extracts the above mentioned areas from the general influence world market, and exempts the enterprise from the economic consequences of the crisis situation. Namely, by this, the government itself renders the search for the way out more difficult, and weakens the pressures for renewal. There are valid directives to deal with losing and undercapitalized enterprises. Inasmuch as the problems of enterprises struggling under recession caused financial troubles cannot be solved within the framework of these directives, and there is a need for immediate intervention, then--in justified cases--this should be done not in pricing, but within the framework of financial system. The operative monetary system should be adjusted to the price system, not vice versa. It is true that in a given case, budgetary help or preferential financing cannot be avoided, nevertheless, this is still more expedient than offering discounts or preferences in domestic prices.

Financial intervention has several relative advantages versus discounts in the price system:

--The supports, or even the granting of credit can be discontinued at any time.

--The supports in itself is pejorative in character. (Price increases are not!)

--If the supports must be repaid, then the recipient--without any other incentives--is interested in utilizing the least support possible.

Though the [government's] central organs have already dealt with recession caused financial problems, this was not followed by such an uniform procedural system as occurred--as mentioned previously--relative to losing, respectively, undercapitalized enterprises. However, there would be a need for also regulating corporate behavior in this respect. That is, the lack of this [regulation] increases the enterprise's uncertainty and does not make possible the success of the regulatory mechanism's conforming mode, and so it results in individual judgments and measures.

Because of lack of regulation in problem cases--in iron-smelting, PVC manufacturing--after lengthy, "multiple" upper level debates, finally, individual decisions are born. These decisions at times come too late and result in price arrangements unlike the original price concepts. In some cases it happens, that by the time the decision is made, world market price tendencies have changed.

It is possible to have a situation, when even financial measures are not enough. In such--but only in such--cases can individual decisions be called upon, but from social considerations; in all other cases automation should operate.

The preparation of concrete financial controls is urgent. That is, with us, the implementation time of regulations is rather long. We need not worry that by the time financial controls of a crisis situation see daylight, the tension has ended, but that for lack of financial controls the raised domestic prices will not be reduced even after the crisis had passed.
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CSO: 2500/339

HUNGARY

HIGH COSTS FORCE ECONOMIZATION IN OZD METALLURGICAL WORKS

Budapest NEPSZAVA in Hungarian 28 Jul 82 p 4

[Article by Miklos Monus: "Instead of Accumulating Tons"]

[Text] The price of coke needed to produce pig iron is increasing year by year, and it is now 170 dollars per metric ton. On average Hungarian ferrous metallurgy uses 30 percent more coke to produce a ton of pig iron than do similar enterprises in more developed countries. The underlying reason for this high specific consumption is not waste, rather the relatively obsolete production technologies and the inadequate initial processing of the basic materials. Besides the other enterprises, the OKU (Ozd Metallurgical Works), one of the largest enterprises in this sector, is devoting a substantial proportrion of its brainpower and material resources to reducing material consumption, parallel with solving its production tasks.

The first step is improvement of the quality of the basic materials required for production. The Ozd Metallurgical Works receives its so-called sinter from BEM (Borsod Ore Dressing Plant). The dust content of this sinter, due to the gradual wear of the already obsolete equipment, has increased in recent years and now amounts to between 15 and 20 percent. Theoretical computations and practical examples prove that the amount of coke needed to produce a ton of pig iron can be reduced by 35 to 40 kilograms if the dust content of the sinter is reduced to one-third.

Modernization of the Borsod Ore Dressing Plant, to be completed by the end of 1984, will cost about 1.0 billion forints. The bulk of this amount will be provided from the credit limit for energy conservation, but the balance is still too much for the Ozd Metallurgical Works because of the large volume of its debts for its production-expansion investments in years past. The LKM (Lenin Metallurgical Works), the sector's other large enterprise in Borsod Megye, is contributing to the costs of modernization. The costs of this development project, beneficial to both parties and hence also to the national economy, will be recovered within a few years, from the savings in coke consumption.

Step by Step

The enterprise will be using 12,000 to 13,000 tons less coke per year with the help of a fairly obvious solution that involves the modernization of certain auxiliary installations and the introduction of so-called desulfurization outside the blast furnace. The necessary auxiliaries will cost 89 million forints and, according to the plan, should be operational by 1 January 1984. By reducing coke consumption, this will save more than 1.0 million dollars a year. At today's exchange rate!

Beginning with the first day of the next five-year plan, the Ozd Metallurgical Works will reduce its coke consumption by 36,000 tons a year merely by modernizing its hot-blast stoves and increasing by 150 degrees Centigrade the blast temperature, from 950 degrees Centigrade at present. This investment is already in progress and its total cost will be 600 million forints, but the savings that can be achieved in this manner will exceed 6.0 million dollars at the present prices.

On hearing about these hundreds and millions of forints and tens and thousands of tons, a person wonders why the production installations of the Ozd Metallurgical Works were not built more economically to begin with, and why are they being modernized only now.

Different Approach

Because the enterprise's earlier and continuous investments, similarly as those of other enterprises both inside and outside the ferrous metallurgy sector, conformed to the national economic approach at the given time, just as the present investments conform to the present national economic approach. And the previous approach called for an increase of output year by year, and not for cost reductions.

Consider the following example: In the early 1970's, the Hungarian construction industry imported on average 100,000 tons of reinforcement for housing construction. This import was expensive. Therefore the Ozd Metallurgical Works was assigned the task to prepare for the production of these 100,000 tons of reinforcement a year under the Fifth Five-Year Plan.

The enterprise completed the necessary preparations and is producing reinforcement. But this and other essential capacity-expanding investment projects exhausted the enterprise's resources, leaving it no money to introduce more economical methods of pig iron production. But such methods at that time were not truly important because it was possible to obtain coke, among other things, cheaply.

Under the Sixth Five-Year Plan, in accordance with the change in central approach, no one at the Ozd Metallurgical Works would even dream of merely increasing the tonnage produced. Their objectives are to improve the quality of their products, to develop a product structure more modern than the present one, and first of all to economize on basic materials and sources of energy so as to cut production costs and reduce import that is becoming increasingly more expensive.

A Practically Free Ore Mine

Curtailment of import led the Ozd Metallurgical Works to the discovery that it had an "iron-ore mine" of its own. Working this mine does not directly reduce the production cost, but indirectly it does because this saves iron-ore and coke imports.

The mine is the 35 to 40 million tons of blast-furnace and open-hearth slag that accumulated on land belonging to the enterprise, from pig iron and steel production during the past decades.

The iron content of the slag heaps is estimated at 15 percent. Annually 240,000 tons of pure iron ore can be extracted from them. Since the ore is pure, moreover, its processing in all requires 30,000 tons less coke as compared with the processing of actually mined and concentrated ore. It cost 2.0 billion forints to develop this "mine," but as of 1984 it will produce a profit by saving ore and coke imports.

The question arises as to why the workers in Ozd are willing to undertake numerous efforts, each of which produces only a relatively small profit. Why do they not realize all their economization concepts at one go, in the same way as the Lenin Metallurgical Works and the Danube Iron Works have done, for example. These enterprises produce the bulk of their steel in converters that do not require external sources of energy, unlike the energy-wasteful Siemens-Martin process. Well, because the price of a converter steel plant is 10 billion forints. Present economic conditions do not permit the construction of a third converter steel plant, in addition to the mentioned two plants.

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SOLUTION TO HOUSING PROBLEMS ASSESSED

Warsaw ZYCIE GOSPODARCZE in Polish No 26, 18 Jul 82 p 5

[Prof Juliusz Gorynski, member of the Economic Consultative Committee, interviewed by Andrzej Chmielewski; date and place not given]

[Text] [Question] Guidelines for the housing industry until 1980 were published and became the topic for public debate. The Economic Consultative Committee has submitted its own comments. What issues have been addressed in those comments?

[Answer] Differences boil down to four basic problems. We included them in a brief, four-page statement which has been presented to the Council of Ministers and the Ministry of Administration, Local Economy and Environmental Protection.

The first problem has to do with opposing views on the role of housing in the national economy. By housing, I mean not only the very process of building new apartments, but also housing policies including construction of new buildings and utilization of old and new buildings. I also mean a whole range of issues which have to do with state fiscal policies in relation to the housing industry and the role of housing cooperatives.

Unfortunately, the traditional approach has dominated our economic practice. Verbally, the importance of the housing industry is always emphasized and frequently spelled out in official documents. In reality, we encounter the so-called residual approach. I use this term because a similar phenomenon has occurred in many other countries. The final recommendations of the famous UN Habitat conference, which took place in Vancouver in 1976, included statements questioning the so-called residual or leftover approach. According to this approach, in economic development plans consumers' needs are taken into consideration only after the needs of all production sectors have been met. The remaining outlays and means are allocated to so-called nonproduction sectors: housing, education, health care and culture. These sectors are perceived as a specific kind of consumption which for various social reasons must be subsidized by the state, although there is no return on the investment. Therefore, these outlays are merely a burden to the national economy.

The Economic Consultative Committee has proposed a completely different approach. We believe that housing, together with production sectors, may have an active role in the development of the national economy. It may seem paradoxical, but especially in the current situation of crisis this approach to housing may be an effective method of restoring economic stability.

[Question] How does this approach translate into the practical language of urban planning?

[Answer] There is still another bad policy of our urban planners, which has its roots in the traditional approach to housing. It is the policy of centrally imposed ceilings on the housing industry outlays and effects. In the initial discussion of the three-year plan and of the period between 1986 and 1990, the Planning Committee included strictly defined ceilings which make outlays on housing dependent on investment spending. And the investment spending is dependent on particular growth or--God forbid!--decrease levels of the national income. Thus the principle of centrally imposed ceilings shuts off any possibility for the growth of the housing industry.

It is a fact, for example, that in our current economic situation we must maximally utilize consumer savings and resources in the areas which do not increase inflation. Housing is one such area which is also an important social issue. But there must exist one condition, that is, those who undertake the effort of saving enough money to purchase an apartment must be assured that they will be able to use their savings precisely for that purpose.

However, in a situation whereby outlays are centrally limited, the goal seems to be clear, but it is highly problematic whether it will ever be reached, especially if the residual approach continues.

[Question] The housing industry is an investment. Investment processes are characterized, for example, by an increase of inflationary trends. Would not a rejection of the policy of centrally limited outlays deepen economic instability, given the current economic situation with its market and fiscal imbalance?

[Answer] But the housing industry is a particular kind of investment. Money supply to the market in the form of housing investments is well balanced by the cash flow of consumer savings. Thus it is a self-balancing process. Moreover, new apartments provide consumers with an incentive to save even more in order to furnish and improve the apartments. This is the deflationary role of the housing industry, although it does not mean that the consumers are stripped of their resources. We must also mention a minimal need for imported materials, if the housing industry is rationally controlled.

The Consultative Committee has recommended the so-called open plan for apartment construction. In the centralized plan, the outlays for housing should not be set rigidly once a year or for a five-year period, but rather they should depend on consumer savings.

[Question] What mechanisms, then, should be put into effect and what barriers should be overcome in order to implement this open plan?

[Answer] This is the second problem which we have dealt with, that is, the role of the state as a stimulus for the growth of the housing industry. We propose that the state not be merely a sponsor, rather, the state should organize and stimulate this tremendous economic undertaking. Thus we believe that the open plan should provide financial and material means especially for the development of technology and social services. This is the next requirement for the growth of the housing industry to occur. New apartment projects should not be cement deserts, but complexes with a wide variety of services, health-care centers, and cultural and recreational centers.

To a certain degree, the state should also function as a direct investor. This concerns apartment construction financed entirely through budget subsidies. For various reasons, this kind of subsidized housing is necessary, and guaranteed funds for this purpose must be available.

Finally, the state plan should include loans for cooperative apartment construction and private construction.

Third, our proposals are also dependent on the involvement of the regional self-government. It would be a mistake if we wanted to control centrally the development of the housing industry. The industry is a responsibility of the regional self-government, especially on the local level. This is both a difficult and rewarding task for the regional self-government, but it should have the full support of society.

[Question] What specifically should the regional self-government take care of first of all?

[Answer] The basic responsibility has to do with land development. In this respect, one notices a great deal of helplessness and apathy by local authorities. In a document prepared by the Ministry of Administration, these issues are dealt with very briefly, without any definite solutions for organizational or financial problems. This is a separate problem, and I prefer not to go into it any further.

The regional self-government should also stimulate the development of local production of building materials. So far, nothing has been done in this respect, although there are many people with many interesting ideas. Unfortunately, those ideas have not been put into practice, because the production of building materials has been controlled centrally. For the past 20 years, there has been an urge to have everything big and centralized: the biggest cement plants and factories manufacturing the biggest prefabricated elements. At the same time, ceramics industry, local limestone quarries, gravel pits, and other producers have been closed down or liquidated, which is a crime unheard of in history. Everywhere, cement is the king. Consequently, for example, the transportation factor for our construction industry is the highest not only in Europe--the average distance for the transport of gravel and sand for the construction industry has increased from 130 km in 1960 to 196 km in 1980, while for cement the figures are 270 km and 327 km, respectively.

The construction cooperatives have an important role in the development of housing. However, I do not mean the highly centralized, cabinet-level Central Association of Apartment Building Cooperatives, but local cooperatives, flexible and rooted in the regional reality.

If all of those requirements are not met, the present status quo will continue. As it is now, the housing industry, with the centrally imposed ceilings on investments, will continue to be perceived as still another burden to the economy.

[Question] The decentralization of the housing industry has already begun by relegating responsibility to the governors. However, news from the regions are upsetting. Most voivodships would prefer to isolate themselves from the rest of the country and follow a policy of economic self-sufficiency. I am afraid that none of the governors would let go, for example, of general construction enterprises or specialized plants; neither would they allow a surplus of local construction materials to be shipped to other parts of the country. Thus, instead of an improvement, we are about to have anarchy.

[Answer] This is undoubtedly true. The Consultative Committee is now discussing the structure, or to be more precise, the need for restructuring the industry. This will be the subject of our next statement to the Ministry Council. At this point, I would prefer not to elaborate on this. But we are also afraid that the present structure of the industry is merely a shift from the centralization on the cabinet level to the centralization on the voivodship level. Moreover, building enterprises, transferred to the control of the voivodships, carry tremendous debts, a result of excessive investment spending as well as of housing factories operating below their production potential. The consequences are not hard to see. Half a year has passed, and in most voivodships no contracts have been signed between housing cooperatives and building contractors. The big argument over prices continues. The Consultative Committee will shortly present its views on the subject.

[Question] What is your opinion on new apartment prices? Let me quote the all-time records: 30,000, 34,000, and recently, 100,000 zlotys per square meter.

[Answer] The problem of prices and costs is among the problems which have plagued the industry for over 20 years, ever since the principles of detailed cost estimating, known for 100 years, were abandoned. Instead, official price indicators have been introduced. But the prices usually have nothing to do with real costs and outlays.

There are appearances that cost estimating is still used, but despite a new regulation about the implementation of controlled prices in the housing industry, it is not true.

The present situation in the industry is simply a consequence of those ills and of the rejection of cost accounting. Moreover, there is a tendency to shift the burden of all the errors of the past years onto the consumers. This, of course, cannot continue. Formally, the builders can always prove that their costs should be such and such.

During the discussion, the Consultative Committee was of the opinion that normal conditions should be restored, that is, the cost accounting of building enterprises should be free, for example, of the whole overloading caused by housing factories or building equipment which are used below their capacity. Instead, we should return to the practice of individual cost-estimating.

After all, we cannot continue to duplicate the mistakes. I was horrified when I read in the Controlled Prices Directives about the principle of determining general costs in the form of a percentage surcharge on the cost of elements of production. I got my experience in cost estimating before the war. I remember that after a detailed analysis of all elements of changeable and permanent costs, only one surcharge was added, that is, risk and profit. There was no percentage surcharge on the so-called overall cost (permanent cost of the management, white-collar personnel, etc.) in the form of a surcharge on the cost of material and labor. If someone did that, he would soon be out of business. Now, if someone sets up an overall cost indicator as a percentage surcharge on the cost of material and labor, this leads to an automatic mechanism which encourages enterprises to raise the cost as much as possible, since their profit is dependent on that. Building contractors should, of course, be assured a decent profit, which may be a percentage surcharge, and a 2 to 3 percent surcharge on the cost of the risk. But to include profit among unidentified costs is a pathological deformation.

[Question] In practice, then, not much will change, apart from the price.

[Answer] Until recently, we faced a dictatorship of building contractors. Now both parties negotiate contracts from the position of weakness. As a result, it is not clear when it will all end. Enterprises face bankruptcy, which would have been declared by the bank in the case of at least 100 enterprises, had it not been for a 2-month moratorium. For the time being, then, the economic reform has not affected building enterprises. There is a question whether the state will continue to support the enterprises, or whether they will become organizational [plant and equipment] units subject to the economic reform. However, there is a reason to believe that, unfortunately, solutions under current consideration are geared toward the extension of subsidies to the building enterprises.

[Question] Apartment construction must be, in one form or another, subsidized from the state budget.

[Answer] The problem lies in the form of the state subsidies. But this leads us to the fourth item in our statement, that is, whether the state subsidies should be oriented toward the product [goods and services] or toward organizational units [plant and equipment]. So far, the traditional system of subsidies for the housing industry has always relied on the so-called product subsidies. Since the consumers cannot be expected to pay the whole expense of apartment construction, the housing industry has been subsidized in the form of billions of zlotys worth of payments to cover enterprise deficits. This cannot continue--even though the system of product subsidies has had the support of the bureaucracy because it is easier to implement.

What next? For social reasons, subsidies for the housing industry should continue. But to retain only product subsidies is a social injustice because everyone benefits from them, regardless of family situation or income. This is reflected in the proposed housing-loan system, included in the draft resolution. It suffices to say that the state's returnable and nonreturnable assistance for the construction of a single-family home is approximately twice as high as a subsidy for the construction of an apartment in a multifamily building. This is a blatant injustice.

There is a need for a differentiated system of subsidies, that is, an implementation of organizational-unit [plant and equipment] subsidies. These subsidies should be primarily for those people who really need them.

This system of subsidies should also restore normal relations between investors and contractors, which will be possible when the price reflects actual prime costs of the contractor.

Thus we suggest that detailed loan guidelines be excluded from the draft resolution. At this point, there is no possibility for a correct evaluation of families' spending patterns. Therefore we cannot determine the amount of financial resources which families can come up with to meet their housing needs. Therefore we do not know to whom and in what amount the organizational-unit [plant and equpment] subsidies should be allocated. We will have to wait until the fall.

It would be a great mistake if we froze guidelines for bank loans during the next 5 to 10 years. The resolution should precisely spell out qualifications for subsidies which should be divided into organizational-unit [plant and equipment] subsidies and product [goods and services] subsidies.

However, specific qualifications should be spelled out in banking regulations or the Ministry of Finance's instructions.

[Question] But how can we specifically determine who should be granted those organizational-unit subsidies and in what amount? It has been said that the subsidies should go to low-income families. But what criteria should be used to establish which families actually need assistance?

[Answer] This is precisely why we approach this problem very cautiously, for today we know much less than a few months ago. This can be explained by the price increase and its impact on family budgets in various income groups.

Personally, I can say that all citizens need assistance in one form or another. There is no question about it. But should this assistance always be financial? I believe, for example, that especially in village communities and small towns it is far more important to grant land-developed lots for rational construction and to allow consumers to purchase construction materials in a legal way. I am talking not only about land development, but also about related legalities. In our country, we have a terrifying chaos in terms of architectural planning, especially in rural communities. The problem of rational construction must be solved as soon as possible. We have to abandon theoretical solutions of some planners who would like to see an approved construction plan in almost every town. We have to use more pragmatic solutions.

There are also many problems with indemnity payments for the land approved for construction. We believe that the payments should follow controlled market prices, and not theoretically determined official rates.

[Question] For many families, their own apartment is a dream which may come true in 12 to 16 years. Is there any guarantee that the new housing policy will once again mobilize society to support the housing program? Can those who have been waiting for their own apartments have hope that the draft resolution will not be still another piece of paper, but a true stimulus for the development of housing?

[Answer] On the basis of what I have said, there is no hope that in 2 or 3 years we will be able to overcome the crisis and to increase apartment construction in any perceptible manner. In the near future, the regional authorities will be busy straightening up all the problems which we have been talking about. We will not be able to feel any improvement until after 2 or 3 years. The problem is to create an aura of support for this issue, to convince the citizens that the efforts under way are honest, and that the chosen path is the right one. But at this point, we should not promise any miracles or a quick improvement of the housing situation.

[Interviewer] Thank you for the interview.

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